

UINTAH COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

**UINTAH COUNTY
BASIC FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Uintah County
Vernal, Utah 84078

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County, Utah (the County) as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

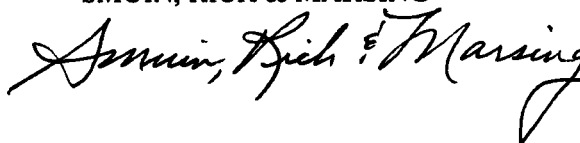
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Tri-County Health Fund, "B" Road Fund, and Municipal Services Fund for the year then ended in conformity with accounting principals generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 12 and information on Infrastructure Assets using the Modified Approach on pages 65 and 66 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2006, on our consideration of Uintah County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Uintah County's basic financial statements. The combining and individual fund and schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governmental and Non-Profit Organizations, and is not a required part of the basic financial statements. These financial statements and schedules are also the responsibility of the management of the County. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Armin, Rich & Marsing". The signature is written in dark ink and is positioned below the printed name of the firm.

Price, Utah

June 9, 2006

**UINTAH COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

This discussion of Uintah County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2005. This report is in conjunction with the County's financial statements. All amounts, unless otherwise indicated, are expressed in **thousands of dollars**.

The purpose of the County is to provide general services to its residents, which includes general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

Financial Highlights

- The assets of Uintah County exceeded its liabilities as of the close of the most recent year by \$297,412 (*net assets*). Of this amount, \$30,906 (*unrestricted net assets*) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$8,129. The revenues and expenditures were less than the adopted budgeted amounts.
- At the close of the current year, the Uintah County governmental funds reported combined ending fund balances of \$32,652, an increase of \$2,830 in comparison with the prior year. Approximately 36.7 percent of this total amount, \$12,015 is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current year, unreserved fund balance for the general fund was \$5,685, or 52.7 percent of total general fund expenditures.
- Uintah County's total debt decreased during the current year by \$274. A component unit of the county (Municipal Building Authority) issued new debt in the amount of \$900.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Uintah County's basic financial statements. Uintah County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Uintah County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Uintah County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Uintah County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Uintah County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Uintah County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Uintah County are Uintah Care Center, Western Park, Tele-Communication, Landfill and Uintah County Municipal Building Authority.

The government-wide financial statements include not only Uintah County itself (known as the primary government), but also four legally separate special service district; for highways and bridges, Recreation, Mental Health and Health Care for which Uintah County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The business type activities for all practical purposes function as departments of Uintah County, and therefore have been included as an integral part of the primary government.

Refer to the table of contents for the location of the government-wide financial statements.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Uintah County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Uintah County can be divided into three categories: governmental funds, enterprise funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Uintah County maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Tri-County health fund, B-Road fund, municipal services fund, debt service and capital projects fund all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Uintah County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary funds

Uintah County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Uintah County uses an enterprise fund to account for its Care Center, Western Park, Tele-Communications, Landfill and Municipal Building Authority operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Care Center, Western Park, Tele-Communication, Landfill and Municipal Building Authority.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Uintah County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Uintah County.

The combining statements referred to earlier in connection with non-major governmental funds and the enterprise fund is presented immediately following the required supplementary information.

Government-wide financial analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Uintah County, assets exceeded liabilities by \$8,129 at the close of the most recent fiscal year.

By far the largest portion of Uintah County's net assets (83.7 percent) reflects its investment in capital assets (e.g. land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Uintah County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Uintah County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of Uintah County's net assets (5.88 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$30,906) may be used to meet the government's on going obligations to citizens and creditors.

At the end of the year, Uintah County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Governmental Activities

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2005	2004	2005	2004	2005
Current and other assets	\$ 31,802	\$ 34,722	\$ 10,927	\$ 13,809	\$ 42,729	\$ 48,531
Capital assets	250,666	252,545	15,239	16,076	265,905	268,621
Total assets	\$ 282,468	\$ 287,267	\$ 26,166	\$ 29,885	\$ 308,634	\$ 317,152
Long-term debt outstanding	\$ 8,478	\$ 401	\$ 8,095	\$ 7,901	\$ 16,573	\$ 8,302
Other liabilities	1,650	9,783	1,409	1,655	3,059	11,438
Total liabilities	\$ 10,128	\$ 10,184	\$ 9,504	\$ 9,556	\$ 19,632	\$ 19,740
Net assets:						
Investment in capital assets, net of debt	\$ 232,095	\$ 241,976	\$ 6,019	\$ 7,015	\$ 238,114	\$ 248,991
Restricted	14,083	14,578	2,497	2,938	16,580	17,516
Unrestricted (deficit)	26,162	20,529	8,146	10,376	34,308	30,905
Total net assets	\$ 272,340	\$ 277,083	\$ 16,662	\$ 20,329	\$ 289,002	\$ 297,412

Governmental activities (Continued)

Governmental activities increased Uintah County's net assets by \$4,743. Key elements of this increase are as follows:

Table 2
Change in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2005	2004	2005	2004	2005
Revenues						
Program Revenues:						
Charges for services	\$ 2,733	\$ 3,507	\$ 2,328	\$ 2,443	\$ 5,061	\$ 5,950
Operating grants and contrib	6,935	5,231			6,935	5,231
Capital grants and contrib.	1,125	1,002		250	1,125	1,252
General Revenues:						
Property taxes	6,555	8,347	856	2	7,411	8,349
Sales taxes	3,166	2,529	2,265	4,084	5,431	6,613
Grants & contrib.-not restrict.		3,559				3,559
Other general revenues	995	1,211	1,086	423	2,081	1,634
Total revenues	\$ 21,509	\$ 25,386	\$ 6,535	\$ 7,202	\$ 28,044	\$ 32,588
Program expenses						
General government	\$ 5,420	\$ 5,803			\$ 5,420	\$ 5,803
Public safety	4,106	4,775			4,106	4,775
Public health	3,771	3,748			3,771	3,748
Highways and public improve.	3,560	3,396			3,560	3,396
Parks and recreation	1,267	1,864			1,267	1,864
Conservation & econ. dev.	466	866			466	866
Interest on long-term debt	253	65			253	65
MBA			\$ 738	\$ 697	738	697
Western Park			793	939	793	939
Care Center			1,462	1,450	1,462	1,450
Landfill			440	446	440	446
Tele-communications			120	130	120	130
Total expenses	\$ 18,843	\$ 20,517	\$ 3,553	\$ 3,662	\$ 22,396	\$ 24,179
Excess (deficiency) before transfers	\$ 2,666	\$ 4,869	\$ 2,982	\$ 3,540	\$ 5,648	\$ 11,391
Transfers	(110)	(126)	110	126		
Change in net assets	\$ 2,556	\$ 4,743	\$ 3,092	\$ 3,666	\$ 5,648	\$ 11,391
Net assets - beginning	\$ 269,784	\$ 272,340	\$ 13,570	\$ 16,663	\$ 283,354	\$ 289,003
Net assets - ending	272,340	277,083	16,662	20,329	289,002	297,412
Change in net assets	\$ 2,556	\$ 4,743	\$ 3,092	\$ 3,666	\$ 5,648	\$ 8,409

- Program revenues decreased \$1,053
- General revenues increased \$4,930

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities

Business-type activities increased Uintah County's net assets by \$3,666. Key elements of this increase are shown in Table 2 Change in Net Assets.

Financial Analysis of the Government's Funds

As noted earlier, Uintah County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of Uintah County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Uintah County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Uintah County's governmental funds reported combined ending fund balances of \$32,652, an increase of \$2,830 in comparison with the prior year. Approximately 36.7 percent of this amount (\$12,015) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to highways and public improvements (\$3,637), 2) The general fund is the chief operating fund of Uintah County. At the end of the current year, unreserved fund balance of the general fund was \$5,685. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 52.7 percent of total general fund expenditures.

Proprietary funds

Uintah County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total unrestricted net assets of the proprietary funds at the end of the year amounted to \$10,412.

General Fund Budgetary Highlights

Differences between the original budget for expenditures and the final amended budget of \$1,810 can be briefly summarized as follows:

- \$274 increase in general government
- \$363 increase in public safety
- \$3 increase in public health
- \$(41) decrease in highways and public improvements
- \$40 increase in parks, recreation and public property
- \$129 increase in community and economic development
- \$970 increase in transfers
- \$72 increase in debt service

The increase of \$1,810 was funded by new growth of general property taxes, sales tax, grants and use of unrestricted fund balance. During the year, however, actual revenues were greater than budgeted revenues by \$896 and actual expenditures were less than budgeted expenditures by \$328 resulting in a net increase in fund balance of \$422.

Capital Asset and Debt Administration

Capital Assets

Uintah County's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$252,545 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, bridges and construction in progress. The total increase in Uintah County's investment in capital assets for the current year was \$2,716.

Major capital asset events during the current year included the following:

- Equipment purchases of \$769 and dispositions of \$86.
 - Construction of a New parking lot and horse stalls located at our Western Park complex.
 - Purchased 8.85 acres of land for future expansion of the Rock Point cemetery.

Also, the county has elected to use the modified approach to account for its infrastructure assets, such as roads. That information can be found in the required supplemental information following the notes to the financial statements.

Table 3
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2005	2004	2005	2004	2005
Right of ways	\$ 3,050	\$ 3,050			\$ 3,050	\$ 3,050
Land	1,488	1,563	\$ 1,790	\$ 1,790	3,278	3,353
Buildings	3,637	3,249	12,454	12,589	16,091	15,838
Improvements other than buildings	1,504	1,337	416	456	1,920	1,793
Equipment	2,200	2,265	373	430	2,573	2,695
Infrastructure	238,782	241,006			238,782	241,006
Work in progress	5	75	206	811	211	886
	<u>\$ 250,666</u>	<u>\$ 252,545</u>	<u>\$ 15,239</u>	<u>\$ 16,076</u>	<u>\$ 265,905</u>	<u>\$ 268,621</u>

Additional information on Uintah County's capital assets can be found in the notes to the financial statements.

Long-term debt

At the end of the current year, Uintah County's total debt outstanding was \$17,119. The debt represents revenue bonds secured solely by specified revenue sources (i.e. revenue bonds).

Table 4
Outstanding Debt at Year-end

	Governmental Activities		Business-type Activities		Totals	
	2004	2005	2004	2005	2004	2005
Bonds payable	\$ 8,000	\$ 8,000	\$ 9,146	\$ 8,995	\$ 17,146	\$ 16,995
Leases payable	246	124			246	124
Total debt	<u>\$ 8,246</u>	<u>\$ 8,124</u>	<u>\$ 9,146</u>	<u>\$ 8,995</u>	<u>\$ 17,392</u>	<u>\$ 17,119</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the county. The current debt limitation for Uintah County is \$42,720. At this time Uintah County has no general obligation debt.

Additional information on Uintah County's long-term debt can be found in the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Uintah County is 3.0 percent, which is a decrease from a rate of 4.6 percent a year ago. This is lower than the state's average unemployment rate of 3.5 percent and lower than the national average rate of 4.6 percent.
- The residential building permits increased by approximately 58.3 percent. Non-residential construction increased by approximately 32 percent indicating acceleration in our economic activity.
- The Assessed value of Uintah County increased by 29.7 percent in 2006, of which 69.5 percent was from new growth. Oil and Gas tax assessment increased 58% from 2005 to 2006, indicating that Uintah County Oil & Gas industry is going strong.

All of these factors were considered in preparing Uintah County's budget for the year.

Requests for Information

This financial report is designed to provide a general overview of Uintah County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Uintah County Clerk-Auditor, 147 East Main, Vernal, Utah, 84078. Also, individual audit reports for component units have been issued and are available at each entities office in Vernal, Utah.

**UINTAH COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash	\$ 1,570	\$ 1,893	\$ 3,463	\$ 1,224,910
Investments	25,512,165	10,501,202	36,013,367	22,852,485
Taxes receivable	345,027	694	345,721	
Accounts receivable - net	245,249	2,798	248,047	393,997
Other receivables		13,175	13,175	1,015,219
Internal balances	36,185	(36,185)		
Due from other governmental units	630,197		630,197	6,969,542
Inventory		3,413	3,413	96,341
Prepaid expenses				99,045
Restricted cash				55,104
Restricted Investments	7,951,114	2,938,308	10,889,422	1,014,113
Bond issue costs		200,533	200,533	
Lease purchase contract				70,291
Capital assets (net of accumulated depreciation):				
Land	1,563,233	1,790,517	3,353,750	1,959,211
Rights of Way	3,050,400		3,050,400	26,790
Buildings	3,248,478	12,588,915	15,837,393	2,250,774
Improvements other than buildings	1,337,201	455,631	1,792,832	148,164
Equipment	2,265,355	430,153	2,695,508	1,253,413
Infrastructure	241,005,538		241,005,538	
Work in progress	75,145	811,062	886,207	
Total assets	\$ 287,266,857	\$ 29,702,109	\$ 316,968,966	\$ 39,429,399
<u>LIABILITIES</u>				
Accounts payable	\$ 832,609	\$ 121,851	\$ 954,460	\$ 1,168,485
Warrants payable	259,846	100,102	359,948	180,978
Accrued liabilities	566,957	44,953	611,910	355,829
Bond interest payable		67,020	67,020	23,788
Notes payable - Due within one year	51,104		51,104	
Revenue bonds payable - Due within one year	8,000,000	1,094,500	9,094,500	276,000
Capital leases payable - Due within one year	72,400		72,400	77,917
Revenue bonds payable - Due in more than one year		7,900,500	7,900,500	789,000
Capital leases payable - Due in more than one year				1,418,332
Compensated absences	400,672	44,605	445,277	126,301
Total liabilities	\$ 10,183,588	\$ 9,373,531	\$ 19,557,119	\$ 4,416,630

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	\$ 241,975,505	\$ 7,014,258	\$ 248,989,763	\$ 4,142,103
Restricted for:				
Class "B" roads	3,637,395		3,637,395	
Client trust				16,836
Construction projects				383,262
Statutory reserve	2,858,881		2,858,881	
Debt Service	8,081,437	2,938,308	11,019,745	665,456
Unrestricted	20,530,051	10,376,012	30,906,063	29,805,112
Total net assets	<u>\$ 277,083,269</u>	<u>\$ 20,328,578</u>	<u>\$ 297,411,847</u>	<u>\$ 35,012,769</u>

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Function/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENTS UNITS
				CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Primary government:							
Governmental activities:							
General government	\$ 5,802,682	\$ 860,637	\$ 8,500	\$	\$ (4,933,545)	\$	\$ (4,933,545)
Public safety	4,775,284	1,720,027	520,833	\$	(2,067,665)		(2,067,665)
Public health	3,747,668	594,170	2,498,620		(654,878)		(654,878)
Highways and public improvements	3,354,740	50,707	2,082,444	2,224,931	1,003,342		1,003,342
Parks and recreation	1,864,345	163,838	90,689	211,779	(1,398,039)		(1,398,039)
Conservation and economic development	865,810	117,288	30,000	98,938	(619,584)		(619,584)
Capital outlay	40,363				(40,363)		(40,363)
Interest on long-term debt	65,271				(65,271)		(65,271)
Total governmental activities	\$ 20,516,263	\$ 3,506,667	\$ 5,231,086	\$ 3,002,407	\$ (8,776,103)	\$	\$ (8,776,103)
Business-type activities:							
MBA	\$ 697,254	\$ 1,275,306				\$ 578,051	\$ 578,051
Western Park	938,942	247,696		\$ 250,000		(441,246)	(441,246)
Care Center	1,449,546	216,000				(1,233,546)	(1,233,546)
Landfill	446,003	580,405				134,402	134,402
Telecommunications	130,220	124,022				(6,198)	(6,198)
Total business-type activities	\$ 3,661,965	\$ 2,443,428	\$	\$ 250,000	\$	\$ (968,537)	\$ (968,537)
Total primary government	\$ 24,178,228	\$ 5,950,095	\$ 5,231,086	\$ 3,252,407	\$ (8,776,103)	\$ (968,537)	\$ (9,744,640)
Component Units:							
Utah Special Service District	\$ 8,091,434	\$ 2,651,127	\$	\$ 1,977,040			\$ (6,114,394)
Tri-County Mental Health & Sub. Abuse	3,285,974	1,384,900					750,053
Utah Recreation District	2,815,667	478,113					(2,337,554)
Utah Health Care Spec. Serv. Dist.	4,594,577	4,425,140		37,595			(132,042)
Total component units	\$ 18,787,652	\$ 7,554,380	\$ 1,384,900	\$ 2,014,435	\$	\$	\$ (7,833,937)
General revenues:							
Property taxes					\$ 8,346,674	\$ 1,723	\$ 8,348,397
Sales taxes					2,528,246	4,083,257	6,612,503
Transient room tax					242,048		242,048
Aviation fuel tax					38,242		38,242
Mineral lease revenue					1,258,963	38,290	1,297,253
Grants and contributions not restricted to specific programs					1,256,498	384,958	1,641,456
Unrestricted investment earnings					(107,478)		(107,478)
Gain/(Loss) on disposal of assets					81,249		81,249
Miscellaneous					(125,968)	125,968	
Transfers							
Total general revenues and transfers					\$ 13,519,474	\$ 4,634,196	\$ 18,153,670
Change in net assets					\$ 4,743,371	\$ 3,665,659	\$ 8,409,030
Net assets - beginning							\$ 14,437,257
Prior period adjustment					272,339,898	16,662,919	289,002,817
Net assets - ending					\$ 277,083,269	\$ 20,328,578	\$ 297,411,847
							\$ 35,012,769

"The notes to the financial statements are an integral part of this statement."

UTAH COUNTY
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL FUND	TRI-COUNTY HEALTH	"B" ROAD	MUNICIPAL SERVICES	DEBT SERVICE	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS								
Cash	\$ 500	\$ 750		\$ 70			\$ 250	\$ 1,570
Investments	6,233,705	613,546	\$ 3,705,456	3,113,582	\$ 423,486	\$ 4,893,348	6,381,001	25,364,124
Receivables (net):								
Accounts		8,700		7,456		2,400	220,881	239,437
Taxes	260,053						84,974	345,027
Due from other governments	373,087	198,022		2,804		56,284		630,197
Restricted investments					7,657,951		293,163	7,951,114
Total assets	\$ 6,867,345	\$ 821,018	\$ 3,705,456	\$ 3,123,912	\$ 8,081,437	\$ 4,952,032	\$ 6,980,269	\$ 34,531,469
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 522,092	\$ 47,639	\$ 68,061	\$ 131,955	\$	1,610	\$ 61,253	\$ 832,610
Warrants payable	145,848	15,133		42,523		177	56,165	259,846
Accrued liabilities	338,280	67,925		90,553			70,199	566,957
Deferred revenue	175,682						44,148	219,830
Total liabilities	\$ 1,181,902	\$ 130,697	\$ 68,061	\$ 265,031	\$	\$ 1,787	\$ 231,765	\$ 1,879,243
Fund balances:								
Reserved for:								
Class "B" Road			\$ 3,637,395					\$ 3,637,395
Tri-County Health		690,321						690,321
Municipal Services				\$ 2,858,881				2,858,881
Capital Projects					\$ 4,950,245			4,950,245
Debt service					\$ 8,081,437			8,081,437
Cometries							\$ 419,046	419,046
Unreserved, reported in:								
General fund	\$ 5,685,443						4,322,107	5,685,443
Special revenue funds							2,007,351	4,322,107
Permanent funds								2,007,351
Total fund balances	\$ 5,685,443	\$ 690,321	\$ 3,637,395	\$ 2,858,881	\$ 8,081,437	\$ 4,950,245	\$ 6,748,504	\$ 32,652,226
Total liabilities and fund balances	\$ 6,867,345	\$ 821,018	\$ 3,705,456	\$ 3,123,912	\$ 8,081,437	\$ 4,952,032	\$ 6,980,269	\$ 34,531,469

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
BALANCE SHEET RECONCILIATION TO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

Total fund balances - governmental fund types: \$ 32,652,226

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of: 252,545,350

Land	\$	1,563,233
Rights of Way		3,050,400
Buildings		3,248,478
Improvements other than buildings		1,337,201
Equipment		2,265,355
Infrastructure		241,005,538
Work in progress		75,145
		\$ 252,545,350
Total		

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (8,524,176)

Revenue bonds payable - Due within one year	\$	(8,000,000)
Capital leases payable - Due within one year		(72,400)
Notes payable - Due within one year		(51,104)
Compensated absences		(400,672)
		\$ (8,524,176)
Total		

Internal service funds are used by management to charge the costs of various insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. 174,492

Deferred tax revenue reduced and reported as income because revenue has been earned but was received over 60 days after the end of the fiscal year. 219,830

Accumulated effect of crossover amounts charged in prior years to business type activities from Internal Service Fund activity. 15,547

Net assets of government activities \$ 277,083,269

"The notes to the financial statements are an integral part of this statement."

UNITAH COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL FUND	TRI-COUNTY HEALTH	"B" ROAD	MUNICIPAL SERVICES	DEBT SERVICE	CAPITAL PROJECT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:								
Taxes	\$ 8,173,869			\$ 973,453			\$ 1,888,632	\$ 11,035,954
Licenses and permits	6,676			447,686				454,362
Intergovernmental revenues	1,044,805	\$ 2,124,450	\$ 2,082,444	1,309,852		\$ 224,931	889,357	7,675,839
Charges for services	1,221,444	502,433		127,070		20,150	504,983	2,376,080
Fines and forfeitures	366,241							366,241
Interest income	48,715	19,967	124,119	80,795	\$ 604,040	119,075	187,754	1,184,465
Miscellaneous	273,856			20,149			20,277	314,282
Total revenues	\$ 11,135,606	\$ 2,646,850	\$ 2,206,563	\$ 2,959,005	\$ 604,040	\$ 364,156	\$ 3,491,003	\$ 23,407,223
EXPENDITURES:								
Current:								
General government	\$ 4,937,978			\$ 540,673			\$ 193,638	\$ 5,672,289
Public safety	2,437,670			2,111,891			229,033	4,778,594
Highways and public improvements	646,912		\$ 2,549,855	16,274				3,213,041
Public health	187,078	\$ 2,672,533					798,477	3,658,088
Parks, recreation, and public property				56,622			1,860,461	1,917,083
Conservation and economic development							120,000	862,011
Capital outlay	742,011					\$ 127,235		127,235
Debt service:								
Principal retirement	72,400						50,000	122,400
Total expenditures	\$ 9,024,049	\$ 2,672,533	\$ 2,549,855	\$ 2,725,460	\$	\$ 127,235	\$ 3,251,609	\$ 20,350,741
Excess revenues over (under) expenditures	\$ 2,111,557	\$ (25,683)	\$ (343,292)	\$ 233,545	\$ 604,040	\$ 236,921	\$ 239,394	\$ 3,056,482
OTHER FINANCING SOURCES (USES):								
Transfers in	\$ 63,881					\$ 900,000	\$ 714,892	\$ 1,678,773
Transfers out	(1,753,176)					69,900	(221,565)	(1,974,741)
Gain (loss) on sales of fixed assets								69,900
Total other financing sources (uses)	\$ (1,689,295)	\$	\$	\$	\$	\$ 969,900	\$ 493,327	\$ (226,068)
Excess of revenues and other sources over (under) expenditures and other uses	\$ 422,262	\$ (25,683)	\$ (343,292)	\$ 233,545	\$ 604,040	\$ 1,206,821	\$ 732,721	\$ 2,830,414
FUND BALANCES - beginning of year	5,263,181	716,004	3,980,687	2,625,336	7,477,397	3,743,424	6,015,783	29,821,812
FUND BALANCES - end of year	\$ 5,685,443	\$ 690,321	\$ 3,637,395	\$ 2,858,881	\$ 8,081,437	\$ 4,950,245	\$ 6,748,504	\$ 32,652,226

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2005**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds \$ 2,830,414

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

General government	\$ 109,676	
Public safety	386,459	
Highways	609,709	
Health	40,186	
Parks and recreation	115,030	
Conservation and economic development	<u>86,872</u>	
 Total assets shown as expenditures	 \$ 1,347,932	
Less: depreciation	<u>(1,225,014)</u>	
 Difference between expenditure and depreciation		 122,918

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.

Contributions to roads	\$ 2,000,000	
Sales and trade-in of capital assets	<u>(243,873)</u>	
 Net increase in capital contribution		 1,756,127

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (Deferred taxes) 82,194

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The amount of this effect of payment of principal on long-term obligation (e.g., bonds, leases). 122,400

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Compensated absences) (44,735)

The net revenue (loss) of certain activities of internal service funds is reported with governmental activities. (125,947)

Change in net assets of governmental activities \$ 4,743,371

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Taxes				
General property taxes - current year	\$ 4,725,000	\$ 5,325,884	\$ 5,679,405	\$ 353,521
General property taxes - prior years	65,000	105,000	130,793	25,793
Penalties and interest on delinquent taxes	50,000	50,000	73,822	23,822
General sales and use tax	2,012,850	1,943,966	2,289,849	345,883
Total taxes	\$ 6,852,850	\$ 7,424,850	\$ 8,173,869	\$ 749,019
Licenses and permits:				
Business licenses and permits			\$ 276	\$ 276
Non-business licenses and permits	\$ 5,000	\$ 5,000	6,400	1,400
Total licenses and permits	\$ 5,000	\$ 5,000	\$ 6,676	\$ 1,676
Intergovernmental:				
Federal	\$ 508,300	\$ 856,300	\$ 780,185	\$ (76,115)
State	50,000	85,500	144,069	58,569
Other	132,800	132,800	120,551	(12,249)
Total intergovernmental	\$ 691,100	\$ 1,074,600	\$ 1,044,805	\$ (29,795)
Charges for services:				
Departmental fees	\$ 372,000	\$ 411,000	\$ 582,447	\$ 171,447
Inmate fees	698,500	698,500	638,997	(59,503)
Total charges for services	\$ 1,070,500	\$ 1,109,500	\$ 1,221,444	\$ 111,944
Fines and forfeitures	\$ 380,400	\$ 380,400	\$ 366,241	\$ (14,159)
Miscellaneous:				
Investment earnings	\$ 50,000	\$ 50,000	\$ 115,962	\$ 65,962
Rents and concessions	61,300	61,300	64,629	3,329
Sale of material, supplies and equipment			7,835	7,835
Oil lease	10,000	10,000	16,660	6,660
O & M reimbursement	70,000	70,000	45,312	(24,688)
Fuel tax refund/aviation fuel tax	23,500	23,500	38,242	14,742
Other	30,000	30,000	33,931	3,931
Total miscellaneous	\$ 244,800	\$ 244,800	\$ 322,571	\$ 77,771
Total Revenues	\$ 9,244,650	\$ 10,239,150	\$ 11,135,606	\$ 896,456

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
EXPENDITURES				
Current:				
General government:				
Commission	\$ 322,100	\$ 322,100	\$ 314,732	\$ 7,368
Justice court	295,800	300,800	293,191	7,609
Drug court	228,700	244,574	242,564	2,010
Public defender	187,900	207,900	203,300	4,600
Personel/Administrator	138,750	138,750	134,969	3,781
Clerk/Auditor	399,800	399,800	359,851	39,949
Treasurer	282,100	282,100	267,296	14,804
Recorder	468,150	468,150	440,334	27,816
Attorney	840,600	840,600	776,469	64,131
Assessor	508,500	508,500	479,589	28,911
Surveyor	50,000	50,000	44,253	5,747
Non-Departmental	168,500	218,500	181,197	37,303
Data processing	545,800	545,800	535,681	10,119
Purchase agent	5,000	9,000	7,156	1,844
Geographical info system/surveyor	142,400	142,400	138,423	3,977
Property maintenance and surplus	106,050	106,050	94,441	11,609
Building and grounds	403,600	433,600	424,532	9,068
Total general government	\$ 5,093,750	\$ 5,218,624	\$ 4,937,978	\$ 280,646
Public safety:				
Fire Control		\$ 175,000	\$ 100,158	\$ 74,842
Emergency services		300,000	288,193	11,807
Weed control	\$ 274,650	274,650	266,224	8,426
Jail complex	1,702,400	1,765,400	1,725,335	40,065
Childrens justice center	236,100	61,100	57,760	3,340
Total public safety	\$ 2,213,150	\$ 2,576,150	\$ 2,437,670	\$ 138,480
Public health:				
Indigent	\$ 7,000	\$ 10,000	\$ 9,478	\$ 522
Public health	71,600	71,600	71,600	
Mental health	106,000	106,000	106,000	
Total public health	\$ 184,600	\$ 187,600	\$ 187,078	\$ 522
Highways and public improvements:				
County roads	\$ 554,000	\$ 512,678	\$ 508,279	\$ 4,399
Airport maintenance and operation	141,200	141,200	138,633	2,567
Total highways and public improvements	\$ 695,200	\$ 653,878	\$ 646,912	\$ 6,966

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**UINTAH COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Conservation and Economic Development:				
Agriculture and extension services	\$ 93,600	\$ 102,600	\$ 93,165	\$ 9,435
Convention bureau	69,450	69,450	69,127	323
Pass thru grants	190,000	310,000	425,452	(115,452)
Associations	61,500	61,500	55,263	6,237
Economic development	99,350	99,350	99,004	346
Total conservation and economic development	\$ 513,900	\$ 642,900	\$ 742,011	\$ (99,111)
Debt service:				
Principal retirement		\$ 72,400	\$ 72,400	
Total debt service	\$...	\$ 72,400	\$ 72,400	\$...
Total expenditures	\$ 8,700,600	\$ 9,351,552	\$ 9,024,049	\$ 327,503
Excess of revenue over (under) expenditures	\$ 544,050	\$ 887,598	\$ 2,111,557	\$ 1,223,959
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 50,000	\$ 50,000	\$ 63,881	\$ 13,881
Transfers out	(452,050)	(1,753,176)	(1,753,176)	
Total other financing sources (uses)	\$ (402,050)	\$ (1,703,176)	\$ (1,689,295)	\$ 13,881
Excess of revenues and other sources over (under) expenditures and other uses		\$ (815,578)	\$ 422,262	\$ 1,237,840
Fund balances - beginning of year	\$ 5,263,181	5,263,181	5,263,181	
Fund balances - end of year	\$ 5,263,181	\$ 4,447,603	\$ 5,685,443	\$ 1,237,840

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
TRI-COUNTY HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Intergovernmental				
Federal, State and Local funds	\$ 2,055,600	\$ 2,240,920	\$ 2,124,450	\$ (116,470)
Total Intergovernmental	\$ 2,055,600	\$ 2,240,920	\$ 2,124,450	\$ (116,470)
Charges for services				
Charges for services	\$ 574,380	\$ 569,380	\$ 502,433	\$ (66,947)
Total Charges for services	\$ 574,380	\$ 569,380	\$ 502,433	\$ (66,947)
Miscellaneous				
Investment earnings	\$ 15,000	\$ 15,000	\$ 19,967	\$ 4,967
Total miscellaneous	\$ 15,000	\$ 15,000	\$ 19,967	\$ 4,967
Total Revenues	\$ 2,644,980	\$ 2,825,300	\$ 2,646,850	\$ (178,450)
EXPENDITURES				
Current:				
Public health				
Administration	\$ 542,000	\$ 562,000	\$ 556,064	\$ 5,936
Environmental health	348,900	348,900	284,958	63,942
Nursing	808,600	808,600	722,302	86,298
Dental clinic	219,500	219,500	184,819	34,681
WIC	694,800	716,800	733,956	(17,156)
Health education	227,900	227,900	172,469	55,431
Capital projects		11,000	17,965	(6,965)
Total public health	\$ 2,841,700	\$ 2,894,700	\$ 2,672,533	\$ 222,167
Total expenditures	\$ 2,841,700	\$ 2,894,700	\$ 2,672,533	\$ 222,167
Excess of revenue over (under) expenditures	\$ (196,720)	\$ (69,400)	\$ (25,683)	\$ 43,717
Fund balances - beginning of year	716,004	716,004	716,004	
Fund balances - end of year	\$ 519,284	\$ 646,604	\$ 690,321	\$ 43,717

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
"B" ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Intergovernmental				
State	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,082,444</u>	<u>\$ (917,556)</u>
Total Intergovernmental	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,082,444</u>	<u>\$ (917,556)</u>
Miscellaneous				
Investment earnings	<u> </u>	<u> </u>	<u>\$ 124,119</u>	<u>\$ 124,119</u>
Total miscellaneous	<u>\$...</u>	<u>\$...</u>	<u>\$ 124,119</u>	<u>\$ 124,119</u>
Total Revenues	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,206,563</u>	<u>\$ (793,437)</u>
EXPENDITURES				
Current:				
Highways and public improvements				
County roads and improvements	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,549,855</u>	<u>\$ 450,145</u>
Total highways and public improvements	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,549,855</u>	<u>\$ 450,145</u>
Total expenditures	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,549,855</u>	<u>\$ 450,145</u>
Excess of revenue over (under) expenditures			<u>\$ (343,292)</u>	<u>\$ (343,292)</u>
Fund balances - beginning of year	<u>\$ 3,980,687</u>	<u>\$ 3,980,687</u>	<u>3,980,687</u>	
Fund balances - end of year	<u>\$ 3,980,687</u>	<u>\$ 3,980,687</u>	<u>\$ 3,637,395</u>	<u>\$ (343,292)</u>

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
MUNICIPAL SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Taxes				
General sales and use tax	\$ 338,600	\$ 488,600	\$ 973,453	\$ 484,853
Total Taxes	\$ 338,600	\$ 488,600	\$ 973,453	\$ 484,853
Licenses and permits				
Business licenses and permits	\$ 36,500	\$ 36,500	\$ 41,385	\$ 4,885
Non-business licenses and permits	245,500	228,000	406,301	178,301
Total Licenses and Permits	\$ 282,000	\$ 264,500	\$ 447,686	\$ 183,186
Intergovernmental				
Federal	\$ 1,401,700	\$ 1,371,700	\$ 1,298,076	\$ (73,624)
State	25,000	5,000	11,776	6,776
Total Intergovernmental	\$ 1,426,700	\$ 1,376,700	\$ 1,309,852	\$ (66,848)
Charges for services	\$ 699,000	\$ 766,500	\$ 127,070	\$ (639,430)
Miscellaneous				
Investment earnings	\$ 40,000	\$ 40,000	\$ 80,795	\$ 40,795
Other			20,149	20,149
Total miscellaneous	\$ 40,000	\$ 40,000	\$ 100,944	\$ 60,944
Total Revenues	\$ 2,786,300	\$ 2,936,300	\$ 2,959,005	\$ 22,705
EXPENDITURES				
Current:				
General government:				
Public lands	\$ 297,400	\$ 297,400	\$ 196,959	\$ 100,441
Zoning & building inspection	350,000	350,000	343,714	6,286
Total general government	\$ 647,400	\$ 647,400	\$ 540,673	\$ 106,727
Public safety				
Sheriff department	\$ 1,679,800	\$ 1,754,800	\$ 1,686,005	\$ 68,795
Sheriff support services	20,000	25,000	24,605	395
Animal control	114,600	174,600	158,497	16,103
County fire marshal	158,800	158,800	143,000	15,800
Lapoint-Tridell fire department	13,000	13,000	9,165	3,835
Jensen fire department	16,200	16,200	16,112	88
Avalon fire department	13,000	18,000	16,927	1,073
Wildland fire	49,000	54,000	57,581	(3,581)
Total public safety	\$ 2,064,400	\$ 2,214,400	\$ 2,111,892	\$ 102,508

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
MUNICIPAL SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Highways and public improvements				
Streets, lighting and signs	\$ 17,000	\$ 17,000	\$ 16,274	\$ 726
Total highways and public improvements	\$ 17,000	\$ 17,000	\$ 16,274	\$ 726
Parks, recreation and public property				
Grants	\$ 27,500	\$ 57,500	\$ 56,621	\$ 879
Total parks recreation and public property	\$ 27,500	\$ 57,500	\$ 56,621	\$ 879
Total expenditures	\$ 2,756,300	\$ 2,936,300	\$ 2,725,460	\$ 210,840
Excess of revenue over (under) expenditures	\$ 30,000		\$ 233,545	\$ 233,545
Fund balances - beginning of year	2,625,336	\$ 2,625,336	2,625,336	
Fund balances - end of year	\$ 2,655,336	\$ 2,625,336	\$ 2,858,881	\$ 233,545

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	INTERNAL SERVICE FUND
ASSETS						
Current assets:						
Cash		\$ 1,300	\$ 318	\$ 275	\$ 1,893	
Investments		804,236	8,590,385	1,288,875	10,683,496	\$ 148,041
Receivables - net						
Accounts	\$ 1,039	1,759		18	2,798	5,812
Taxes			676		694	
Miscellaneous				13,175	13,175	
Inventory		3,413			3,413	
Total current assets	\$ 1,039	\$ 810,708	\$ 8,591,379	\$ 1,302,343	\$ 10,705,469	\$ 153,853
Noncurrent assets:						
Restricted investments	\$ 2,585,766	\$ 104,934	\$ 179,721	\$ 67,887	\$ 2,938,308	
Bond issue costs	200,533				200,533	
Total noncurrent assets	\$ 2,786,299	\$ 104,934	\$ 179,721	\$ 67,887	\$ 3,138,841	\$...
Capital Assets:						
Land	\$ 1,053,379	\$ 560,838	\$ 125,000	\$ 51,300	\$ 1,790,517	
Buildings	9,285,267	4,578,015	1,514,921	9,713	15,387,916	
Improvements other than buildings	247,182	282,980	195,168	54,136	779,466	
Furniture, fixtures and equipment	326,503	545,960		1,172,616	2,045,079	
Accumulated depreciation	(1,029,354)	(1,769,520)	(920,121)	(1,018,767)	(4,737,762)	
Work in process	811,062				811,062	
Total capital assets	\$ 10,694,039	\$ 4,198,273	\$ 914,968	\$ 268,998	\$ 16,076,278	\$...
Total assets	\$ 13,481,377	\$ 5,113,915	\$ 9,686,068	\$ 1,639,228	\$ 29,920,588	\$ 153,853
LIABILITIES						
Current liabilities:						
Cash deficit	\$ 182,294				\$ 182,294	
Accounts payable	61,749	\$ 26,427		\$ 33,675	121,851	
Warrants payable	89,939	8,526		1,637	100,102	
Accrued interest payable	66,370	650			67,020	
Accrued wages and benefits		49,091		40,467	89,558	
Current portion of long-term debt	1,070,500	24,000			1,094,500	
Total current liabilities	\$ 1,470,852	\$ 108,694	\$...	\$ 75,779	\$ 1,655,325	\$...

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	INTERNAL SERVICE FUND
Noncurrent liabilities:						
Revenue bonds payable	\$ 7,300,500	\$ 320,000	\$ 280,000		\$ 7,900,500	
Total noncurrent liabilities	\$ 7,300,500	\$ 320,000	\$ 280,000	\$...	\$ 7,900,500	\$...
Total liabilities	\$ 8,771,352	\$ 428,694	\$ 280,000	\$ 75,779	\$ 9,555,825	\$...
Net Assets:						
Invested in capital assets, net of related debt	\$ 2,256,669	\$ 3,853,623	\$ 634,968	\$ 268,998	\$ 7,014,258	
Restricted	2,585,766	104,934	179,721	67,887	2,938,308	\$ 153,853
Unrestricted	(132,410)	726,664	8,591,379	1,226,564	10,412,197	
Total net assets	\$ 4,710,025	\$ 4,685,221	\$ 9,406,068	\$ 1,563,449	\$ 20,364,763	\$ 153,853
Adjustment to reflect the consolidation of ISF activities related to enterprise funds					(36,185)	
Net assets of business-type activities					\$ 20,328,578	

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS					
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	INTERNAL SERVICE FUND
Operating revenues:						
Charges for sales and services	\$ 1,275,305	\$ 247,696	\$ 216,000	\$ 704,427	\$ 2,443,428	\$ 2,420,887
Total operating revenues	\$ 1,275,305	\$ 247,696	\$ 216,000	\$ 704,427	\$ 2,443,428	\$ 2,420,887
Operating expenses:						
Employee salaries and benefits		\$ 469,319		\$ 349,783	\$ 819,102	
Office supplies		2,157		1,343	3,500	
Other supplies and services		4,036		12,726	16,762	
Contractual services	\$ 21,215			25,516	46,731	\$ 2,742,258
Utilities		105,676		4,347	110,023	
Fuel and oil		10,591		35,182	45,773	
Repairs and maintenance	95,484	81,294		50,708	227,486	
Depreciation	263,226	161,013	\$ 47,409	33,410	505,058	
Rental			1,186,137		1,186,137	
Miscellaneous		6,812			6,812	
Advertising		14,597			14,597	
Event costs		56,220			56,220	
Travel		2,388		349	2,737	
Telephone		11,155		54,065	65,220	
Bond issue costs	31,163				31,163	
Total operating expenses	\$ 411,088	\$ 925,258	\$ 1,233,546	\$ 567,429	\$ 3,137,321	\$ 2,742,258
Operating income (loss)	\$ 864,217	\$ (677,562)	\$ (1,017,546)	\$ 136,998	\$ (693,893)	\$ (321,371)
Nonoperating revenues (expenses):						
Taxes		\$ 815,868	\$ 3,268,962	\$ 150	\$ 4,084,980	
Interest revenue	\$ 62,008	32,117	251,210	39,623	384,958	\$ 4,786
Interest expense	(286,166)	(1,840)			(288,006)	
Grant revenue	268,966				268,966	
Contribution to other governments			(216,000)		(216,000)	
Total nonoperating revenues (expenses)	\$ 44,808	\$ 846,145	\$ 3,304,172	\$ 39,773	\$ 4,234,898	\$ 4,786
Income (loss) before contributions and transfers	\$ 909,025	\$ 168,583	\$ 2,286,626	\$ 176,771	\$ 3,541,005	\$ (316,585)

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS					INTERNAL SERVICE FUND
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NONMAJOR FUNDS	TOTAL BTAs	
Contributions and transfers						
Capital contributions		\$ 19,324			\$ 19,324	
Transfers in		125,968			125,968	\$ 170,000
Total contributions and transfers	\$...	\$ 145,292	\$...	\$...	\$ 145,292	\$ 170,000
Change in net assets	\$ 909,025	\$ 313,875	\$ 2,286,626	\$ 176,771	\$ 3,686,297	\$ (146,585)
Total net assets - beginning	3,801,000	4,371,346	7,119,442	1,386,678		300,438
Total net assets - ending	\$ 4,710,025	\$ 4,685,221	\$ 9,406,068	\$ 1,563,449		\$ 153,853
Adjustment to reflect the consolidation of ISF activities related to enterprise funds					(20,638)	
Changes in net assets of business-type activities					\$ 3,665,659	

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF CASH FLOWS
PROPERETARY FUNDS AND INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NON-MAJOR	TOTAL BTA's	
Cash Flows From Operating Activities:						
Receipts from customers	\$ 1,330,300	\$ 245,922	\$ 216,000	\$ 717,391	\$ 2,509,613	\$ 2,420,202
Payments to suppliers	(55,361)	(346,924)	(1,186,737)	(169,588)	(1,758,610)	(2,742,258)
Payments to employees		(462,582)		(348,038)	(810,620)	
Net cash provided (used) by operating activities	\$ 1,274,939	\$ (563,584)	\$ (970,737)	\$ 199,765	\$ (59,617)	\$ (322,056)
Cash Flows From Noncapital Financing Activities:						
Tax revenue		\$ 815,868	\$ 3,269,396	\$ 162	\$ 4,085,426	
Contribution to other governments			(216,000)		(216,000)	
Grant revenue	\$ 268,966				268,966	
Transfers from other funds		125,968			125,968	\$ 170,000
Net cash provided (used) by noncapital financing activities	\$ 268,966	\$ 941,836	\$ 3,053,396	\$ 162	\$ 4,264,360	\$ 170,000
Cash Flows From Capital and Related Financing Activities:						
Purchase of capital assets	\$ (1,046,385)	\$ (222,822)		\$ (53,483)	\$ (1,322,690)	
Principal paid on capital debt	(1,027,500)	(24,000)			(1,051,500)	
Bond issuance costs	(11,169)				(11,169)	
Proceeds from issuance of long-term debt	900,000				900,000	
Interest paid on capital debt	(293,622)	(1,886)			(295,508)	
Net cash provided (used) by capital and related financing activities	\$ (1,478,676)	\$ (248,708)	\$...	\$ (53,483)	\$ (1,780,867)	\$...
Cash Flows From Investing Activities:						
Interest and dividends received	\$ 62,008	\$ 32,117	\$ 251,211	\$ 39,623	\$ 384,959	\$ 4,786
Net cash provided (used) by investing activities	\$ 62,008	\$ 32,117	\$ 251,211	\$ 39,623	\$ 384,959	\$ 4,786
Net increase (decrease) in cash and cash equivalents	\$ 127,237	\$ 161,661	\$ 2,333,870	\$ 186,067	\$ 2,808,835	\$ (147,270)
Cash and cash equivalents, January 1	2,276,235	748,809	6,436,554	1,170,970	10,632,568	295,311
Cash and cash equivalents, December 31	\$ 2,403,472	\$ 910,470	\$ 8,770,424	\$ 1,357,037	\$ 13,441,403	\$ 148,041

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF CASH FLOWS
PROPERETARY FUNDS AND INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS
	MUNICIPAL BUILDING AUTHORITY	WESTERN PARK	CARE CENTER	NON- MAJOR	TOTAL BTA's	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 864,217	\$ (677,562)	\$ (1,017,546)	\$ 136,998	\$ (693,893)	\$ (321,371)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	\$ 263,226	\$ 161,013	\$ 47,409	\$ 33,410	\$ 505,058	
Bond amortization costs	31,163				31,163	
(Increase) Decrease in accounts receivable	54,995	(1,609)		12,964	66,350	\$ (685)
(Increase) Decrease in inventories		(165)			(165)	
Increase (Decrease) in accounts payable	(26,483)	(51,374)	(600)	18,700	(59,757)	
Increase (Decrease) in warrants payable	87,821	(624)		(4,052)	83,145	
Increase (Decrease) in accrued liabilities		6,737		1,745	8,482	
Total adjustments	\$ 410,722	\$ 113,978	\$ 46,809	\$ 62,767	\$ 634,276	\$ (685)
Net cash provided (used) by operating activities	\$ 1,274,939	\$ (563,584)	\$ (970,737)	\$ 199,765	\$ (59,617)	\$ (322,056)

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005

	<u>AGENCY FUNDS</u>
 <u>ASSETS</u>	
Cash	\$ 366,179
Receivables (net):	
Taxes	241,311
Investments	333,021
Restricted - cash	<u>42,454</u>
 Total assets	 <u><u>\$ 982,965</u></u>
 <u>LIABILITIES</u>	
Warrants outstanding	\$ 7,834
Due governments and organizations	200,765
Due taxing units	<u>744,366</u>
 Total liabilities	 <u><u>\$ 952,965</u></u>

"The notes to the financial statements are an integral part of this statement."

**UINTAH COUNTY
STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2005**

	UINTAH BASIN TRI-COUNTY MENTAL HEALTH & SUBSTANCE ABUSE AUTHORITY	UINTAH RECREATION DISTRICT	UINTAH SPECIAL SERVICE DISTRICT	UINTAH HEALTH CARE SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS</u>					
Cash and cash equivalents	\$ 874,578	\$ 111,074	\$ 32,290	\$ 206,968	\$ 1,224,910
Investments	1,512,917	6,733,592	14,605,976		22,852,485
Accounts receivable - net	16,185	1,078		376,734	393,997
Other receivables	1,015,219				1,015,219
Inventory				96,341	96,341
Prepaid expenses	74,285			24,760	99,045
Due from other governmental units	175,500	2,547,005	4,247,037		6,969,542
Restricted cash	20,499	34,605			55,104
Restricted Investments			1,014,113		1,014,113
Lease purchase contract			70,291		70,291
Capital assets (net of accumulated depreciation):					
Land	363,301	1,565,235	30,675		1,959,211
Rights of way		26,790			26,790
Buildings	2,020,818	217,155		12,801	2,250,774
Improvements other than buildings		148,164			148,164
Equipment	143,441	917,516	27,075	165,381	1,253,413
Total assets	<u>\$ 6,216,743</u>	<u>\$ 12,302,214</u>	<u>\$ 20,027,457</u>	<u>\$ 882,985</u>	<u>\$ 39,429,399</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 633,313	\$ 38,119	\$ 351,958	\$ 145,095	\$ 1,168,485
Warrants payable		180,978			180,978
Accrued liabilities	208,806	39,334		107,689	355,829
Bond interest payable			23,788		23,788
Revenue bonds payable - Due within one year			276,000		276,000
Capital leases payable - Due within one year	77,917				77,917
Revenue bonds payable - Due in more than one year			789,000		789,000
Capital leases payable - Due in more than one year	1,418,332				1,418,332
Compensated absences		21,890	1,619	102,792	126,301
Total liabilities	<u>\$ 2,338,368</u>	<u>\$ 280,321</u>	<u>\$ 1,442,365</u>	<u>\$ 355,576</u>	<u>\$ 4,416,630</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	\$ 1,031,311	\$ 2,874,860	\$ 57,750	\$ 178,182	\$ 4,142,103
Restricted for:					
Client trusts and Club House funds	16,836				16,836
Construction projects			383,262		383,262
Debt Service		34,605	630,851		665,456
Unrestricted	2,830,228	9,112,428	17,513,229	349,227	29,805,112
Total net assets	<u>\$ 3,878,375</u>	<u>\$ 12,021,893</u>	<u>\$ 18,585,092</u>	<u>\$ 527,409</u>	<u>\$ 35,012,769</u>

"The notes to the financial statements are an integral part of this statement."

UINTAH COUNTY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2003

Function/Programs	PROGRAM REVENUES					NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	UINTAH SPECIAL SERVICE DISTRICT	TRICOUNTY MENTAL HEALTH & SUBSTANCE ABUSE AUTHORITY	UINTAH RECREATION DISTRICT	HEALTH CARE SPECIAL SERVICE DISTRICT	TOTAL	
Governmental activities:										
Utah Special Service District					\$ (81,881)				\$ (81,881)	
Highways and public improvements					(15,883)				(15,883)	
Compensation and benefits					(8,812)				(8,812)	
Insurance	\$ 81,881				(1,539)				(1,539)	
Membership dues	15,883				(10,716)				(10,716)	
Miscellaneous	8,812				(10,293)				(10,293)	
Occupancy	1,539				(12,553)				(12,553)	
Office expenses	10,716				(4,533)				(4,533)	
Professional fees	10,293				(5,940,659)				(5,940,659)	
Depreciation	12,553				(27,525)				(27,525)	
Transportation systems	4,533			\$ 1,977,040						
Interest on long term liabilities	7,917,699									
	27,525									
	\$ 8,091,434	\$ 2,651,127	\$ 1,384,900	\$ 1,977,040	\$ (6,114,394)	\$	\$	\$	\$ (6,114,394)	
Business-type activities:										
Utah Basin Tri-County Mental Health & Substance Abuse Auth.	\$ 3,285,974	\$ 478,113	\$ 37,395			\$ 750,053	\$ (2,337,554)	\$	\$ 750,053	
Utah Recreation District	2,815,667	4,425,140							(2,337,554)	
Utah Health Care Special Service District	4,594,577								(132,042)	
	\$ 10,696,218	\$ 7,554,380	\$ 37,395	\$ 37,395	\$	\$ 750,053	\$ (2,337,554)	\$	\$ (1,719,543)	
Total business-type activities	\$ 18,787,652	\$ 7,554,380	\$ 37,395	\$ 2,014,435	\$ (6,114,394)	\$ 750,053	\$ (2,337,554)	\$ (132,042)	\$ (7,833,937)	
Total component units										
General revenues:										
Mineral lease revenue					\$ 13,150,888		\$ 8,147,009		\$ 21,297,897	
Grants and contributions not restricted to specific programs							250	\$ 216,000	216,250	
Gain/(Loss) on disposal of assets						\$ 16,832			16,832	
Investment earnings					497,913	54,978	171,433	6,915	731,239	
Miscellaneous					3,203		5,773		8,976	
Total general revenues					\$ 13,652,004	\$ 71,810	\$ 8,324,465	\$ 222,915	\$ 22,271,194	
Change in net assets					\$ 7,537,610	\$ 821,863	\$ 5,986,911	\$ 90,873	\$ 14,437,257	
Net assets - beginning					11,047,482	3,056,512	6,034,982	483,739	20,622,715	
Prior period adjustment								(47,203)	(47,203)	
Net assets - ending					\$ 18,585,092	\$ 3,878,375	\$ 12,021,893	\$ 527,409	\$ 35,012,769	

*The notes to the financial statements are an integral part of this statement.

**UINTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Uintah County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the County's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all the County's activities.

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements).

A. Reporting Entity

Uintah County, Utah (the County) operates under a three-member County Commission form of government. The County provides the following services: Countywide services, such as those provided by elected officials (including assessing and collecting property taxes for all taxing districts in the County), health and human services to the unincorporated areas, such as fire and police protection, developmental services, street lighting, traffic engineering, highways, planning and zoning, animal services and justice courts.

The accompanying financial statements include the County, which is a political subdivision with corporate powers created under Utah State law, and all of its component units, collectively referred to as the financial reporting entity. Blended component units, although legally separate entities, are in substance part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Blended Component Units – Tri-County Health Department services the citizens who live in the Tri-County area of Daggett, Uintah and Duchesne Counties. Utah State law allows the creation of multi-county health departments. Local health departments are responsible within their boundaries for providing, directly or indirectly, basic public health services. The County Commissioners, within the boundaries of the health district, appoints the health district board of directors.

Municipal Building Authority of Uintah County was created by the County Commission as a body politic and corporate for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the County government. It is comprised of a governing body that has been appointed by the County Commission and may be removed or replaced at any time by its discretion.

Discrete Component Units. These component units are entities, which are legally separate from the County, but are financially accountable to the County whose relationships with the county are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Component Units, column of the government-wide financial statements include that financial data of these entities.

Uintah Special Service District - The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the board governing the District. The District was created for the purpose of building, maintaining or improving roads within the District's boundaries. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah Basin Tri-County Mental Health and Substance Abuse Local Authority (Northeastern Counseling Center) - The local Mental Health Authority has been established by the County Commissioners for the purpose of directing and providing mental health and substance abuse services to persons within the Mental Health District. The County Commissioners within the District appoint members of the board of directors. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah Recreation District - The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the board governing the District. The District was created for the purpose of managing and operating parks and recreation facilities and recreation programs in Uintah County. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Uintah Health Care Special Service District – The District was created by the adoption of a resolution establishing the service district. The District is to be administered by an Administrative Control Board, which is to be appointed by the Board of County Commissioners of Uintah County. The purpose of the District is to oversee, administer and manage a county owned, long-term, residential health care and day care facility that is responsive to the needs of the residents, their families, and the community at large, through a consistently high standard of customized, clinical care. The boundaries of the District are the same as Uintah County. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

B. Government-Wide and Fund Financial Accounting

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses can include certain indirect costs (administrative overhead charges) that are automatically allocated to the various functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, component funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (non-major) funds. The internal service fund is reported in a single column on the proprietary fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Governmental-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider has been met. The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statement, rather than as another financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include accumulated unpaid compensated absences and principal and interest on general long-term debt which are recognized when due.

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.
- Tri-County Health – The Tri-County Health Fund is used to account for revenues and expenditures used to provide basic public health services.
- "B" Road Fund – The "B" Road Fund is used to account for the revenues and expenditures used for repair, maintains and improvement of roads which are classified as B roads within the County boundaries.
- Municipal Services Fund – The Municipal Services Fund accounts for monies received by the County for the purpose of providing municipal type services for the unincorporated areas of the County.
- The Debt Service Fund – The Debt Service Fund accounts for resources used for the payment of interest and principal on general long-term debt obligations.
- Capital Project Fund – The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of capital assets other than those financed by proprietary funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The County's non-major governmental funds include other special revenue funds and a permanent fund. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes. The permanent fund accounts for resources earned and expended for needy children medical expenditures.

Proprietary Fund Financial Statements – Proprietary funds include enterprise funds and internal service funds. Internal Service funds are used to account for the goods and services provided by one fund to other funds of the County, rather than to the general public. The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.

The county reports the following major proprietary funds:

- **Municipal Building Authority** – The Municipal Building Authority Fund accounts for the resource for the financing, owning, leasing and operating of facilities to meet the needs of the County government.
- **Western Park Fund** – The Western Park Fund accounts for resources and expenditures in the operating and maintain of the Western Park Arena and related facilities associated with activities at the arena.
- **Care Center Fund** – The Care Center Fund accounts for the resources needed for the repayment of debt used in the construction of the Uintah Care Center building.

The County's non-major proprietary funds include the Landfill Fund and the Telecom Fund. The Landfill Fund accounts for resources used in the operation of the County landfill. The Telecom Fund accounts for the resources used in maintaining a 911 service for the County.

Internal Service Fund – The Internal Service Fund account for the resources used to pay health insurance premium for the County. The Internal Service Fund is reported on the proprietary fund statements. In the government-wide financial statement, the internal service fund is included with governmental activities since most of the services provided by the internal service fund are for governmental purposes.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Fiduciary Fund Financial Statements – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other organizations or individuals. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. The county only has one type of fiduciary fund.

- **Agency Funds** – Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds include Treasurer's Tax Collection and Special Deposits. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Sector Standards of Accounting and Financial Reporting – The County generally applies to both the government-wide and proprietary fund statements all Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The County has elected not to follow private-sector guidance subsequent to that date.

Interfund Transactions – Interfund transactions represent transactions between different funds within the County. In general, interfund activity, including internal service fund transactions, have been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenditures resulting from such transactions. Interfund services provided and used between different functional categories, however, have not been eliminated from the government-wide financial statement so as not to distort the direct costs and program revenues reported in the various functions concerned.

Transfers between governmental and business-type activities are reported at the net amount in the government-wide Statement of Activities. Interfund receivables and payables have been eliminated from the government-wide Statement of Net Assets except for those amounts due between governmental and business-type activities. Such amounts are reported at the net amount as "internal balances" and offset each other to result in a zero balance in the total column.

Program Revenues/Operating Revenues and Expenses From Non-Operating Items – Amounts reported as program revenues include 1) charges for fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary funds. Budgets are not adopted for the agency fund. All annual appropriations lapse at fiscal year end. The following procedures are used in establishing the budgetary data reflected in the financial statements.

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, permanent funds and enterprise funds. The budget is a complete financial plan, which identifies all estimated revenues and all appropriations for expenditure for the year. The budget must balance, that is estimated revenues and other financing sources must equal appropriated expenditures.
2. By November 1, the County Auditor submits to the Board of County Commissioners a proposed operating budget for the fiscal year for all funds beginning January 1.
3. The Board of County Commissioners discusses and approves the budget and sets a date for a public hearing on the proposed budget.
4. A public hearing is held to obtain taxpayer comments and the budget is adopted.
5. The Commission can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice.)

E. Cash and Cash Equivalents and Investments

Cash and investment management in the County is administered by the County Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah code. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

Statements of cash flow are presented for proprietary funds under the direct method.

F. Inventories

Inventories are stated at the lower of cost or market, determined on a first-in, first-out basis. Inventories are accounted for under the consumption method where inventories are recorded as expenditures when consumed rather than when purchased.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An estimate of sick leave liability and vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability.

Employees can carry over up to 160 hours of unused vacation from one year to the next. Hours that exceed the 160 hours are lost if unused. Employees can carry over up to 240 hours of unused comp-time from year to year. Employees will be paid for any unused comp-time in excess of 240 hours. Employees can carry over unlimited hours of unused sick leave from one year to the next. Employees will only be paid for unused sick leave and vacation upon retirement.

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$400,671 and for proprietary funds total \$44,605.

H. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

I. Capital Assets

Capital assets include land, right of ways, buildings, improvements other than buildings, machinery and equipment, infrastructure (roads and bridges) and construction-in-progress. These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Assets under governmental or business activities. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life of at least one year and costing at least \$5,000. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest expense incurred relating to governmental or proprietary activities is not capitalized.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. **Capital Assets (Continued)**

Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses or business-type activities in the government-wide Statement of Activities. Accumulated depreciation is reported on proprietary fund and government-wide Statement of Net Assets. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20-40 years
Improvements	15-40 years
Equipment	4-10 years
Infrastructure, (bridges)	40 years

The County has adopted an allowable alternative to reporting depreciation for its road network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

J. **Net Assets/Fund Balances**

The difference between assets and liabilities is "Net Assets" on the government-wide and proprietary fund financial statements and "Fund Balance" on the governmental fund financial statements. Net assets are divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as reserved, unreserved designated, or unreserved undesignated. Reserves represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005 was as follows:

Primary Government Governmental activities:	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital assets not being depreciated:				
Land	\$ 1,487,693	\$ 121,587	\$ 46,047	\$ 1,563,233
Infrastructure (Roads)	235,876,735	2,379,983		238,256,718
Rights of Way	3,050,400			3,050,400
Work in progress	4,949	70,196		75,145
Total capital assets not being depreciated	\$ 240,419,777	\$ 2,571,766	\$ 46,047	\$242,945,496
Capital assets being depreciated:				
Buildings	\$ 8,287,929		\$ 216,219	\$ 8,071,710
Improvements other than buildings	3,593,300	\$ 7,510		3,600,810
Machinery and equipment	7,769,113	768,656	85,786	8,451,983
Infrastructure (Bridges)	7,320,796			7,320,796
Total capital assets being depreciated	\$ 26,971,138	\$ 776,166	\$ 302,005	\$ 27,445,299
Less accumulated depreciation for:				
Buildings	\$ 4,651,589	\$ 192,773	\$ 21,130	\$ 4,823,232
Improvements other than buildings	2,088,923	173,531	(1,155)	2,263,609
Machinery and equipment	5,568,764	702,067	84,203	6,186,628
Infrastructure (Bridges)	4,415,333	156,643		4,571,976
Total accumulated depreciation	\$ 16,724,609	\$ 1,225,014	\$ 104,178	\$ 17,845,445
Total capital assets, being depreciated, net	\$ 10,246,529	\$ (448,848)	\$ 197,827	\$ 9,599,854
Governmental activities capital assets, net	\$ 250,666,306	\$ 2,122,918	\$ 243,874	\$252,545,350

2. CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,790,517			\$ 1,790,517
Work in Progress	206,024	\$ 811,062	\$ 206,024	811,062
Total capital assets not being depreciated	<u>\$ 1,996,541</u>	<u>\$ 811,062</u>	<u>\$ 206,024</u>	<u>\$ 2,601,579</u>
Capital assets being depreciated:				
Buildings	\$14,846,141	\$ 302,143	\$ (239,632)	\$ 15,387,916
Improvements other than buildings	700,601	78,868		779,469
Machinery and equipment	1,914,462	130,617		2,045,079
Total capital assets being depreciated	<u>\$17,461,204</u>	<u>\$ 511,628</u>	<u>\$ (239,632)</u>	<u>\$ 18,212,464</u>
Less accumulated depreciation for:				
Buildings	\$ 2,392,516	\$ 392,201	\$ (14,284)	\$ 2,799,001
Improvements other than buildings	284,423	39,415		323,838
Machinery and equipment	1,541,484	73,442		1,614,926
Total accumulated depreciation	<u>\$ 4,218,423</u>	<u>\$ 505,058</u>	<u>\$ (14,284)</u>	<u>\$ 4,737,765</u>
Total capital assets, being depreciated, net	<u>\$13,242,781</u>	<u>\$ 6,570</u>	<u>\$ 225,348</u>	<u>\$ 13,474,699</u>
Business-type activities capital assets, net	<u>\$15,239,322</u>	<u>\$ 817,632</u>	<u>\$ (19,324)</u>	<u>\$ 16,076,278</u>
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government			\$ 132,484	
Public safety			286,558	
Public Health			67,074	
Highways and public improvements			701,336	
Parks and recreation			36,253	
Conservation and economic development			1,309	
Total depreciation expense - governmental activities			<u>\$ 1,225,014</u>	
Business-type activities:				
Care Center			\$ 47,409	
Western Park			161,013	
Landfill			29,399	
Telecom			4,011	
Municipal building authority			263,226	
Total depreciation expense - Business-Type Activities			<u>\$ 505,058</u>	
Total depreciation expense			<u>\$ 1,730,072</u>	

3. LONG-TERM DEBT

Annual debt service requirements to maturity for bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 8,051,104		\$ 8,051,104	\$ 1,094,500	\$ 248,575	\$ 1,343,075
2007				1,176,500	205,475	1,381,975
2008				1,223,500	159,710	1,383,210
2009				1,272,500	111,340	1,383,840
2010				1,317,500	60,710	1,378,210
2011-2015				1,226,500	137,095	1,363,595
2016-2020				797,500	97,850	895,350
2021-2025				608,500	55,900	664,400
2026-2028				278,000	11,725	289,725
	<u>\$ 8,051,104</u>	<u>\$...</u>	<u>\$ 8,051,104</u>	<u>\$ 8,995,000</u>	<u>\$ 1,088,380</u>	<u>\$ 10,083,380</u>

Revenue and Limited Obligation Bond – Revenue and Limited Obligation Bonds payable at December 31, 2005, with their outstanding balances are comprised of the following individual issues:

Governmental Activities:

Community Impact Board \$8,000,000 Bond, issued on July 6, 1981, due in one payment on July 1, 2006. Uintah County entered into this agreement for the purpose of financing a portion of the cost of constructing Redwash Road. The loan is interest free. To insure repayment of the loan upon maturity the County through its escrow agent purchased a Resolution Funding Strip Series A 8.265% security that matures July 2006.

\$ 8,000,000

Note payable with Lynn and Colleen Thomas, due in annual installments of \$50,000 and \$51,104 respectively, beginning January 15, 2005 and January 15, 2006. The note is a zero percent interest note. The purpose of the note was to purchase land for the Rockpoint Cemetery.

\$ 51,104

Business-type Activities:

Taxable Lease Revenue Bond Series 2005, issued on October 25, 2005. The purpose of the bond is to make improvements to Western Parks. Payments begin January 1, 2007 and continue through January 1, 2026. Each annual payment is \$45,000. The bond is a zero percent interest bond.

\$ 900,000

3. **LONG-TERM DEBT (Continued)**

Business-type Activities (Continued):

Lease Revenue Bond Series 1992, due in annual installments from \$10,000 to \$11,000, beginning October 1, 1992 and maturing October 1, 2012. The bond is a zero percent interest bond. The purpose of the bonds is to construct a fire station in Avalon and purchase fire equipment. \$ 72,000

Lease Revenue Bond Series 2000A, due in annual installments from \$197,000 to \$249,000, beginning June 1, 2002 and maturing June 1, 2010. The bond is a 3.0% interest bond. The purpose of the bond is to purchase real property and construct an addition to the Care Center building. \$ 1,176,000

Lease Revenue Bond Series 2000B, due in annual installments from \$590,000 to \$860,000, beginning June 1, 2002 and maturing June 1, 2010. The bond has a varied interest rate ranging from 4.5% to 5.0%. The purpose of the bond is to purchase real property, equipment and help in the construction of an addition to the Care Center building. \$ 3,910,000

Lease Revenue Bond Series 2000D, due in annual installments of \$32,500, beginning September 1, 2002 and maturing September 1, 2021. The bond is a zero percent interest bond. The purpose of the bond is to purchase real property and pay for the construction of a building to house the Northeastern Counseling Center. \$ 520,000

Lease Revenue Bond Series 2000C, due in annual installments of \$11,000 to \$14,000, beginning June 1, 2002 and maturing January 1, 2010. The bond is a zero percent interest bond. The purpose of the bond is to retire and refund the Municipal Building Authority (MBA) outstanding obligation with respect to its Lease Revenue Bonds, Series 1991 which were issued to finance the costs of renovating and adding a nursing home facility known as the Uintah Care Center. \$ 67,000

Lease Revenue Bond Series 2002, due in annual installments ranging from \$44,000 to 79,000, beginning March 1, 2004 and maturing March 1, 2028. The bond is a 2.5% interest bond. The purpose of the bond is to purchase real property where a new museum can be constructed. \$ 1,411,000

Limited Obligation Bond Series 1994, due in annual installments ranging from \$23,000 to \$25,000, beginning August 15, 1995 and maturing August 15, 2019. The bond is a .5% interest bond. The purpose of the bond was to finance the costs of improvements to the Uintah County Western Park complex. \$ 344,000

3. LONG-TERM DEBT (Continued)

Limited Obligation Bond Series 1991, due in one payment on the maturity date of September 1, 2011. There is no interest on the bond. The purpose of the Bond was to construct a day care addition to the Uintah County Care Center.

\$ 280,000

Lease Revenue Bond Series 2004B, due in annual installments of \$35,000 beginning April 1, 2005 and maturing April 1, 2014. The bond is a zero percent interest bond. The purpose of the bonds is to finance the acquisition and construction of shop buildings and related improvements and paying necessary expense incidental thereto.

\$ 315,000

Total

\$17,046,104

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Revenue bonds CIB	\$ 8,000,000			\$ 8,000,000	\$8,000,000
Note payable	101,104		\$ 50,000	51,104	51,104
Capital Leases	144,800		72,400	72,400	72,400
Compensated Absences	<u>355,938</u>	<u>\$ 44,734</u>		<u>400,672</u>	
Governmental activity long-term liabilities	<u>\$ 8,601,842</u>	<u>\$ 44,734</u>	<u>\$ 122,400</u>	<u>\$ 8,524,176</u>	<u>\$8,123,504</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 9,146,500	\$ 900,000	\$ 1,051,500	\$ 8,995,000	\$1,094,500
Compensated Absences	<u>43,100</u>	<u>1,505</u>		<u>44,605</u>	
Business-type activity long-term liabilities	<u>\$ 9,189,600</u>	<u>\$ 901,505</u>	<u>\$ 1,051,500</u>	<u>\$ 9,039,605</u>	<u>\$1,094,500</u>

3. LONG-TERM DEBT (Continued)

Component Units

Long-term liability activity for the year ended December 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Capital Leases	\$ 1,585,000		\$ (88,751)	\$ 1,496,249	\$ 77,917
Notes Payable	<u>733,068</u>		<u>(733,068)</u>		
Business-type activity long-term liabilities	<u>\$ 2,318,068</u>	<u>\$...</u>	<u>\$ (821,819)</u>	<u>\$ 1,496,249</u>	<u>\$ 77,917</u>
Governmental activities:					
Bonds payable:					
Revenue bonds	<u>\$ 1,333,000</u>		<u>\$ (268,000)</u>	<u>\$ 1,065,000</u>	<u>\$ 276,000</u>
Governmental activity long-term liabilities	<u>\$ 1,333,000</u>	<u>\$...</u>	<u>\$ (268,000)</u>	<u>\$ 1,065,000</u>	<u>\$ 276,000</u>

Proprietary Debt

During 1992, the County issued a Facility Limited Obligation Bond Series 1991, for the purpose of making a day care addition to the Uintah County Care Center. As part of the bond agreement the County deposited \$61,096 into an escrow account, which was invested in governmental securities, which matures August 15, 2011. The proceeds from this escrow account will be used to pay off the \$280,000 Facility Limited Obligation Bond, which matures September 1, 2011. The amount held in escrow at December 31, 2005, was \$179,721.

On March 16, 1994, Uintah County closed on a limited obligation bond in the amount of \$600,000 for the purpose of financing the costs of improvements to the Uintah County Western Park and to pay certain issuance expenses. The Bond bears interest at the rate of one-half of one percent (0.5%) per annum. Interest on the Bond shall accrue on the unpaid principal balance from August 15, 1994 and shall be payable annually on August 15, of each year commencing August 15, 1995 and ending on August 15, 2019. In order to defease the Bond and to provide funds for the payment of principal and interest on the Bond, the County has entered into an escrow agreement with Westone bank where funds have been deposited and invested in Government Obligations which together with interest earnings to accrue thereon, shall be sufficient to pay the principal of and interest on the Bonds as they become due and payable. The amount held in escrow at December 31, 2005, was \$104,934. The balance outstanding on the limited obligation bond is \$344,000 as of December 31, 2005.

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On August 31, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds Series 2000A in the principal amount of \$2,000,000 together with interest at the rate of 3% per annum. The bonds begin accruing interest on the unpaid balance of the principal on June 1, 2001 and the interest and principal become payable beginning on June 1, 2002. The purpose of the bonds is to purchase land and construct an addition to the Uintah Care Center. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 1, 2006	\$ 222,000	\$ 35,280	\$ 257,280
June 1, 2007	228,000	28,620	256,620
June 1, 2008	235,000	21,780	256,780
June 1, 2009	242,000	14,730	256,730
June 1, 2010	249,000	7,470	256,470
	<u>\$ 1,176,000</u>	<u>\$ 107,880</u>	<u>\$ 1,283,880</u>

On August 15, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds Series 2000B in the principal amount of \$6,440,000 together with a variable rate of interest. The bonds begin accruing interest on the unpaid balance on August 15, 2000 with interest payments due December 1, 2000, June 1, 2000 and December 1, 2001, while interest and principal become payable beginning on June 1, 2002. The purpose of the bonds is to purchase land, help construct an addition to the Uintah Care Center and purchase equipment for use in the Care Center. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 1, 2006	\$ 710,000	\$ 96,670	\$ 806,670
December 1, 2006		79,630	79,630
June 1, 2007	740,000	79,630	819,630
December 1, 2007		61,500	61,500
June 1, 2008	780,000	61,500	841,500
December 1, 2008		42,000	42,000
June 1, 2009	820,000	42,000	862,000
December 1, 2009		21,500	21,500
June 1, 2010	860,000	21,500	881,500
	<u>\$ 3,910,000</u>	<u>\$ 505,930</u>	<u>\$ 4,415,930</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On August 31, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Refunding Bond Series 2000C in the principal amount of \$137,000 together with a 0% rate of interest. Lease Revenue Refunding Bonds, Series 2000C were issued for the purpose of retiring and refunding the Authority's outstanding obligation with respect to its Lease Revenue Bonds, Series 1991, which were issued to finance the costs of renovating and adding a nursing home facility. The interest rate on both the refunding issue and the refunded issue was zero percent, which resulted in no economic gain or loss. Also, there is no difference in the required cash flows between the refunding and refunded bonds. The refunding has the effect of changes principal payment due dates from January 1, to June 1. Repayment of principal begins June 1, 2001. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
June 1, 2006	\$ 14,000
June 1, 2007	14,000
June 1, 2008	14,000
June 1, 2009	14,000
June 1, 2010	11,000
	<u>\$ 67,000</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On October 13, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Bond Series 2000D in the principal amount of \$650,000 together with a 0% rate of interest. Lease Revenue Bonds, Series 2000D were issued for the purpose of acquisition of land and the construction of a new approximately 7,000 square foot building to house the Vernal offices of the Northeastern Counseling Center and related improvements. Repayment of principal begins September 1, 2002. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
September 1, 2006	\$ 32,500
September 1, 2007	32,500
September 1, 2008	32,500
September 1, 2009	32,500
September 1, 2010	32,500
September 1, 2011	32,500
September 1, 2012	32,500
September 1, 2013	32,500
September 1, 2014	32,500
September 1, 2015	32,500
September 1, 2016	32,500
September 1, 2017	32,500
September 1, 2018	32,500
September 1, 2019	32,500
September 1, 2020	32,500
September 1, 2021	32,500
	<u>\$ 520,000</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On January 1, 2000, the Uintah County Municipal Building Authority changed from using governmental fund types to recording its transactions in a proprietary fund type. Because of this change, the Lease/Purchase Revenue Bonds 1992 have been removed from the General Long Term Debt Account Group and have been reported in the Uintah County Municipal Building Authority Fund, a proprietary fund type. Below the detail of Lease/Purchase Revenue Bonds Series 1992 have been reported:

Lease/Purchase Utah Series 1992 Bonds - On July 14, 1992, the Commission approved issuance, by the Uintah County Municipal Building Authority, of \$215,000 in bonds at zero percent interest to be repaid over twenty years. The purpose of the bonds is to construct a fire station in Avalon and purchase needed fire equipment. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
October 1, 2006	\$ 11,000
October 1, 2007	11,000
October 1, 2008	10,000
October 1, 2009	10,000
October 1, 2010	10,000
October 1, 2011	10,000
October 1, 2012	10,000
	<u>\$ 72,000</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On July 16, 2002, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds, Series 2002, in the amount of \$1,200,000 together with interest at a rate of 2.5% per annum. The bonds begin accruing interest on the unpaid principal balance from March 1, 2003 at the rate specified above, payable annually on March 1, of each year, with interest and principal installments beginning March 1, 2004.

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 1, 2006	\$ 46,000	\$ 35,275	\$ 81,275
March 1, 2007	47,000	34,125	81,125
March 1, 2008	48,000	32,950	80,950
March 1, 2009	50,000	31,750	81,750
March 1, 2010	51,000	30,500	81,500
March 1, 2011	52,000	29,225	81,225
March 1, 2012	54,000	27,925	81,925
March 1, 2013	55,000	26,575	81,575
March 1, 2014	56,000	25,200	81,200
March 1, 2015	58,000	23,800	81,800
March 1, 2016	59,000	22,350	81,350
March 1, 2017	61,000	20,875	81,875
March 1, 2018	62,000	19,350	81,350
March 1, 2019	63,000	17,800	80,800
March 1, 2020	65,000	16,225	81,225
March 1, 2021	67,000	14,600	81,600
March 1, 2022	68,000	12,925	80,925
March 1, 2023	70,000	11,225	81,225
March 1, 2024	72,000	9,475	81,475
March 1, 2025	74,000	7,675	81,675
March 1, 2026	76,000	5,825	81,825
March 1, 2027	78,000	3,925	81,925
March 1, 2028	79,000	1,975	80,975
	<u>\$ 1,411,000</u>	<u>\$ 461,550</u>	<u>\$ 1,872,550</u>

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On October 25, 2005, Uintah County Municipal Building Authority issued Taxable Lease Revenue Bonds Series 2005 in the principal amount of \$900,000 together with interest at the rate of zero percent. The principal becomes payable beginning January 1, 2007 and matures January 1, 2026. The purpose for issuing the bonds was to construct phase 4 at the Western Park facilities.

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
January 1, 2007	\$ 45,000
January 1, 2008	45,000
January 1, 2009	45,000
January 1, 2010	45,000
January 1, 2011	45,000
January 1, 2012	45,000
January 1, 2013	45,000
January 1, 2014	45,000
January 1, 2015	45,000
January 1, 2016	45,000
January 1, 2017	45,000
January 1, 2018	45,000
January 1, 2019	45,000
January 1, 2020	45,000
January 1, 2021	45,000
January 1, 2022	45,000
January 1, 2023	45,000
January 1, 2024	45,000
January 1, 2025	45,000
January 1, 2026	45,000
	<hr/>
	\$ 900,000

3. **LONG-TERM DEBT (Continued)**

Proprietary Debt (Continued)

On October 13, 2004, the Municipal Building Authority of Uintah County issued Lease Revenue Bonds Series 2004B in the principal amount of \$350,000. The bonds were issued at a zero percent interest rate. The first payment beginning April 1, 2005 and continues each April 1 until the bonds are paid in full at April 1, 2014. The purpose of the bonds is to finance the acquisition and construction of shop buildings and related improvements and paying necessary expense incidental thereto. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2006	\$ 35,000		\$ 35,000
April 1, 2007	35,000		35,000
April 1, 2008	35,000		35,000
April 1, 2009	35,000		35,000
April 1, 2010	35,000		35,000
April 1, 2011	35,000		35,000
April 1, 2012	35,000		35,000
April 1, 2013	35,000		35,000
April 1, 2014	35,000		35,000
	<u>\$ 315,000</u>	<u>\$...</u>	<u>\$ 315,000</u>

4. **CAPITAL LEASES**

Uintah County has entered into lease agreements as a lessee for financing the acquisition of heavy equipment used in the Landfill Fund and General Fund. A trash compactor was acquired for use with the Landfill. Also a caterpillar Paver, Elevator, asphalt truck, a 966 loader and oil storage truck were acquired through lease to be used in the County Road Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

4. **CAPITAL LEASES (Continued)**

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Heavy equipment	\$ 592,000	\$ 238,475
Less: Accumulated Depreciation	<u>(592,000)</u>	<u>(107,313)</u>
Net assets	<u>\$...</u>	<u>\$ 131,162</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2005 were as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>
2006	<u>\$ 72,400</u>
Total minimum lease payments	\$ 72,400
Less: amount representing interest	<u>...</u>
Present value of minimum lease payments	<u><u>\$ 72,400</u></u>

5. DEPOSITS AND INVESTMENTS

It is the County's policy to follow the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) (the Act) in handling its depository and investment transactions. The Act creates the Utah Money Management Council (the "Council"), a five-member body, appointed by the Governor of the State, which exercises oversight of public deposits and investments.

The County maintains a cash and investment pool that is used by all funds. Each major fund's portion of this pool, and the aggregate portion of the pool relating to non-major funds and internal service funds, is displayed on the Balance Sheet for Governmental Funds and the Statement of Net Assets for proprietary funds, respectively, as "cash and investments." Total non fiduciary cash and investments is also reflected on the government-wide Statement of Net Assets. The fiduciary fund's portion is found on the Statement of Fiduciary Assets and Liabilities. Income from the investment of the pooled cash is allocated based on each fund's balance in the pool. In addition, cash is separately held by several funds.

Custodial Credit Risk-Deposits

The Act requires the depositing of public funds only in a "qualified depository" or a "permitted depository". A "qualified depository" is a Utah depository institution, which complies with capital ratios and public deposit limits established by rule of the Council and which has been certified by the State Commissioner of Financial Institutions for deposit of public funds. A "permitted depository" is an out-of-state financial institution that meets quality criteria established by rule of the Council. The custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be recovered.

The County's deposits are insured up to \$100,000 per account by the Federal Deposit Insurance Corporation. The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Uninsured deposits are not collateralized nor are they required to be by State statute. At December 31, 2005, the bank balance of the County's deposits was zero.

Investments

Investments are recorded at fair value or at cost where there is no material difference from fair value based upon quoted market prices as of December 31, 2005, with the difference between the purchase price and market price being recorded as interest income.

The Act also defines the types of securities allowed as appropriate investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories, certified dealers, or directly with the issuer of the securities.

Allowable investments under the Act include:

- Negotiable or nonnegotiable deposits of qualified depositories and permitted depositories.
- Repurchase agreements with qualified depositories or government security dealers certified by the director of the State Division of Securities as meeting quality criteria established by the State Money Management Council.

5. DEPOSITS AND INVESTMENTS (Continued)

Allowable investments under the Act include (Continued):

- Commercial paper, which is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standard and Poor's, which have a remaining term of 270 days or less.
- Bankers' acceptances that are eligible for discount at a Federal reserve bank and which have a remaining term of 270 days or less.
- Obligations of the United States Treasury, including bills, notes, and bonds.
- Obligations other than mortgage pools and other mortgage derivative products issued by or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit banks, Federal Home Loan banks, Federal National mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Agriculture Mortgage Corporation, and Tennessee Valley Authority.
- Corporate obligations maturing in two years or less, which are rated "A" or higher by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standard and Poor's.
- Shares or certificates in a money market mutual fund that comply with Rule 2a-7 of the Securities Exchange Commission.
- Utah Public Treasurer's Investment Fund.

The carrying amount and fair value of the County's investments at December 31, 2005 is as follows:

	Carrying Amount and Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
<u>Investment Type</u>					
<u>Debt Securities</u>					
U.S. Treasury Securities	\$ 8,816,732	\$ 8,511,732	\$ 130,000	\$ 100,000	\$ 75,000
U.S. Agencies	500,000	500,000			
U.S. Government Mutual Funds	2,547,733	2,547,733			
Repurchase Agreements	889,799	889,799			
	<u>\$ 12,754,264</u>	<u>\$ 12,449,264</u>	<u>\$ 130,000</u>	<u>\$ 100,000</u>	<u>\$ 75,000</u>
<u>Other Investments</u>					
Utah Public Treas. Invest. Fund	<u>34,148,528</u>				
Total investments	<u>\$ 46,902,792</u>				

5. DEPOSITS AND INVESTMENTS (Continued)

The Utah Public Treasurer's Investment Fund ("the Pool") is a voluntary external Local Government Investment Pool managed by the Utah State Treasurer to improve investment efficiency and yield. These monies are invested in securities permitted by the Act and contain no withdrawal restrictions other than timely notice of intent to withdraw an amount greater than \$2 million. Investment activity of the State Treasurer in the management of the Pool is reviewed monthly by the Council and is audited by the Utah State Auditor. Monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

Government and agency securities consist of U.S. Treasury bonds, notes and bills, Federal Home notes and government mutual funds with underlying securities that are U.S. Treasury bonds, notes and bills.

Interest Rate Risk-Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The County's policy for managing interest rate risk is to comply with the Utah Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and to 365 days or less for fixed rate negotiable deposits, and fixed rate corporate obligations. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County and Component Units follows the Utah Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The County's rated debt investments as of December 31, 2005 were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

	Carrying Amount and Fair Value	Quality Rating
<u>Debt Securities</u>		
U.S. Treasury Securities	\$ 8,816,732	Not Rated
U.S. Agencies	500,000	AAA
U.S. Government Mutual Funds	2,547,733	Not Rated
Repurchase Agreements	889,799	Not Rated

5. **DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk-Investment

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County complies with the custody requirements of the Utah Money Management Act and Rules of the Money Management Council. All investment securities are required to be held by the public treasurer, in safekeeping by a bank or trust company, or in a book-entry-only record maintained by a securities depository, in the Federal Book Entry system or in the book-entry records of the issuer of the security in the name of the public entity. All investment securities are held in a qualified depository certified by the Commissioner of Financial Institutions as adhering to the rules of the Utah Money Management Council or in the book entry records of the issuer of the security.

The County's investments at December 31, 2005 were held by the County or in the County's name by the County's custodial banks except for repurchase agreements with qualified depositories totaling \$889,799 where the underlying securities were uninsured and held by the investment's counterparty, not in the name of the County.

Concentration of Credit Risk-Investment

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The County's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5% and 10% depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the United States government and its agencies. The County complies with the concentration limits of Rule 17 of the Utah Money Management Act.

6. **PENSION PLANS**

Uintah County contributes to the Local Governmental Contributory Retirement System and Public Safety Retirement System for employers with Social Security coverage cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System and Public Safety Retirement System for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

6. **PENSION PLANS (Continued)**

Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.0% of their annual covered salary (some of which maybe paid by the County) and Uintah County is required to contribute 7.08% of their annual covered salary. In the Public Safety Retirement System for employers with Social Security coverage contributory division members are not required to make contributions of their annual salaries but Uintah County is required to contribute 19.08% of employees' annual salary from January to June and contribute 19.34% of employees' annual salary from July to December. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Uintah County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2005, 2004 and 2003 were \$749,008, \$622,777 and \$514,567 respectively and for the Public Safety Retirement System the contributions for December 31, 2005, 2004 and 2003 were \$249,642, \$215,666 and \$182,117 respectively. The contributions were equal to the required contributions for each year.

7. **CONTINGENT LIABILITIES**

Uintah County has several pending lawsuits and notice of claims filed by different individuals. These cases are currently pending and the outcome is undeterminable at this time. The County has taken the position to vigorously contest these suits.

8. **PROPERTY TAX CALENDAR**

The County adopts, by June 22, the proposed tax rates as part of its budget for the current year, which began January 1. If the proposed rates exceed a certified tax rate, special public hearings must be held before the final rate is adopted. The final tax rate is assessed by the county assessor on property in the County on the prior January 1. The taxes are payable to the county treasurer by the end of November and are remitted to the County by the county treasurer as collected.

9. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains Enterprise Funds, which provide sanitation services, telecommunication, special activities and nursing home services. Segment information for the year ended December 31, 2005 is as follows:

	<u>Landfill</u>	<u>Telecom- munications</u>	<u>Western Park</u>	<u>Care Center</u>	<u>Municipal Building Authority</u>
Operating Revenues:					
Charges for services	\$ 580,405	\$ 124,022	\$ 247,696	\$ 216,000	\$1,275,305
Depreciation expense	29,399	4,011	161,013	47,409	263,226
Operating income (loss)	143,196	(6,198)	(677,562)	(1,017,546)	864,217
Tax revenues	150		815,868	3,268,962	
Operating transfers in			125,968		
Operating transfers out					
Net income/(loss)	177,817	(1,046)	313,875	2,286,626	909,025
Property, plant and equipment:					
Additions		53,483	256,429		1,046,385
Deletions					
Net working capital	1,142,165	152,286	702,014	8,591,379	(1,469,813)
Total assets	1,422,620	216,608	5,113,915	9,686,068	13,481,377
Total equity	1,361,691	201,758	4,685,221	9,406,068	4,710,025

10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1992, the County joined together with other counties in the State to form the Utah Association of Counties (UAC), a public entity risk pool currently operating as a common risk management and insurance program for member Counties. The County pays an annual premium to UAC for its general insurance coverage. The Agreement for Formation of the UAC provides that UAC will be self-sustaining through member premiums and will reinsure through commercial companies.

The County continues to carry commercial insurance for workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years.

11. MUNICIPAL SOLID WASTE LANDFILLS

Uintah County has a landfill that operates within the County. The County has filed with the State for operating permits for the landfill and has received a written approval. The County has received the landfill permit to stay in operation effective November 1, 2000 and expires October 31, 2005. On August 31, 2005 Uintah County submitted a permit renewal form to the State of Utah. The State had not finished processing this permit as of May 11, 2006 but has allowed the County to continue to operate the Landfill until the permit is processed.

Uintah County has obtained information necessary to determine the nature and source of landfill closure and postclosure care requirements. An amount of liability for closure and postclosure care costs, estimated total current cost of closure and postclosure care remaining to be recognized, percentage of landfill capacity used to date and the nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations has been calculated by the County and the engineers. The County has set aside an amount of \$67,887 to be put into an account held by the Utah Public Treasurer's Investment Pool. Each year the County will contribute an additional \$6,500 to this fund. The accumulated amount will be used for the above costs.

12. RECONCILIATION OF INTERFUND TRANSFERS

The following table provides a reconciliation of all interfund transfers:

	Transfers in				
	General Fund	Capital Projects Funds	Western Park Funds	Nonmajor Governmental Funds	Total
Transfer Out:					
General Fund		\$ 900,000		\$ 683,176	\$ 1,583,176
Nonmajor Funds	\$ 63,881		\$ 125,968	31,716	221,565
	\$ 63,881	\$ 900,000	\$ 125,968	\$ 714,892	\$ 1,804,741

13. BUDGETARY COMPLIANCE

For the year ended December 31, 2005, Uintah County had one unfavorable budget variance in the Pass thru Grants department of the General Fund. The department had budgeted \$310,000 for 2005 and spent \$425,452, which resulted in a \$115,452 unfavorable budget variance.

14. USE OF ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

15. FUND BALANCE RESERVATIONS

The county has reserved the following fund balances of governmental funds and net assets for proprietary funds:

Governmental Funds

\$690,321 has been reserved in the Tri-County Health Fund for the purpose of providing public health services to the residents of the tri-county area.

\$3,637,395 has been reserved in the "B" Road Fund for the purpose of maintaining, improving, repairing or replacement of "B" roads in Uintah County.

\$2,858,881 has been reserved in the Municipal Services Fund for the purpose of paying costs associated with public land issues, public safety, such as costs of fire control and police protection in different areas of the County along with street lighting and signs.

\$8,081,437 has been reserved in the Debt Service Fund for the purpose of paying principal and interest on general long-term debt.

\$4,950,245 has been reserved in the Capital Project Fund for the purpose of acquiring or construction of capital assets needed by the County.

\$419,046 has been reserved in a number of Cemetery Funds for the purpose of maintaining, improving and operation of several cemeteries located in different areas of the County.

Proprietary Funds

\$2,585,669 has been reserved in the Municipal Building Authority Fund for the purpose of meeting sinking fund and reserve requirements of bond covenants and because bond funds received are to be held for future construction projects such the museum and Western Park.

\$104,934 has been reserved in the Western Park Fund for the purpose of retiring bonds as they become due.

\$179,721 has been reserved in the Care Center Fund to be invested and to accumulate an amount necessary to retire bonds.

\$67,887 has been reserved in the Landfill Fund as a post closures reserve fund to cover costs to close the landfill and maintain the landfill after closure.

16. **DEFICIT FUND BALANCE**

The County had a \$20,993 deficit fund balance in the County/City Cemetery Association Fund as of December 31, 2005.

SCHEDULE 1

UINTAH COUNTY **INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED** **USING THE MODIFIED APPROACH** **FOR THE YEAR ENDED DECEMBER 31, 2005**

As allowed by GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, the County has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

Roads

Uintah County applies the modified approach only to the 491 paved, 813 gravel and 91 dirt lane-miles of roads considered to be owned by the County and maintained by the County's Public Works Department (i.e. for which the County has legal jurisdiction). The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the County's investment in its road network and enhances public transportation and safety.

Condition Rating of the County's Road System

Percentage of Lane-Miles in Good or Better Condition in 2003:

	Percentage			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Paved	57	57	45	64
Gravel	60	60	60	60
Dirt	55	55	55	55
Overall System	57	57	53	60

SCHEDULE 1
(Continued)

Condition Rating of the County's Road System (Continued)

Percentage of Lane-Miles in Substandard Condition is:

	Percentage			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Paved	15	15	9	7
Gravel	10	10	10	14
Dirt	10	10	10	14
Overall System	12	12	10	12

Comparison of Needed-to Actual Maintenance/Preservation in 2002, 2003, 2004
and 2005 Roads:

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Estimated	3,500,000	3,500,000	3,500,000	3,700,000
Actual	3,301,000	3,004,360	3,206,155	3,058,134

The condition of road pavement is measured using the American (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify road in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 55 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule only presents the information for the last four years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2002 and did not collect this information for all years. The County will continue to collect and retain this information so that over a period of five years, it will be able to report the required information.

UINTAH COUNTY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS											PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	HISTORIC PRESERVA- TION	FLOOD CONTROL	COUNCIL ON AGING	DRUG COURT	TRANSIENT ROOM TAX	FOOD SERVICE TAX	TORT LIABILITY	LIBRARY FUNDS	REGIONAL HISTORY CENTER	911 EMERGENCY SERVICE	CEMETERIES	GIRT CHILDRENS FUND	UARC PUBLIC EDUC.		TAX STABILITY
ASSETS															
Cash	\$ 31,296	\$ 510,018	\$ 79,549	\$ 149,126	\$ 391,824	\$ 454,809	\$ 450,877	\$ 250	\$ 120,086	\$ 668,041	\$ 143,088	\$ 80,978	\$ 22,924	\$ 2,007,351	\$ 250
Investments			71,852				3,290	1,414,122				2,651			6,381,001
Accounts receivable							13,073	58,367							220,881
Taxes receivable		13,534													84,974
Investments restricted											293,163				293,163
Total assets	\$ 31,296	\$ 523,552	\$ 151,401	\$ 149,126	\$ 391,824	\$ 454,809	\$ 467,240	\$ 1,472,739	\$ 120,086	\$ 668,041	\$ 436,251	\$ 83,629	\$ 22,924	\$ 2,007,351	\$ 6,980,269
LIABILITIES AND FUND BALANCES															
Liabilities:															
Accounts payable			\$ 24,412					\$ 30,975			\$ 5,866				\$ 61,253
Warrants payable			9,984			\$ 4,500		30,964	\$ 63	\$ 6,646	4,008				56,165
Accrued liabilities			26,563					36,305			7,331				70,199
Deferred tax revenue		\$ 2,393					\$ 7,439	34,316							44,148
Total liabilities	\$...	\$ 2,393	\$ 60,959	\$...	\$...	\$ 4,500	\$ 7,439	\$ 132,560	\$ 63	\$ 6,646	\$ 17,205	\$...	\$...	\$...	\$ 231,765
Fund balances:															
Reserved											\$ 419,046				\$ 419,046
Unreserved, reported in:															
Special revenue funds	\$ 31,296	\$ 521,159	\$ 90,442	\$ 149,126	\$ 391,824	\$ 450,309	\$ 459,801	\$ 1,340,179	\$ 120,023	\$ 661,395		\$ 83,629	\$ 22,924	\$ 2,007,351	\$ 4,322,107
Permanent funds															2,007,351
Total fund balances	\$ 31,296	\$ 521,159	\$ 90,442	\$ 149,126	\$ 391,824	\$ 450,309	\$ 459,801	\$ 1,340,179	\$ 120,023	\$ 661,395	\$ 419,046	\$ 83,629	\$ 22,924	\$ 2,007,351	\$ 6,748,504
Total liabilities and fund balance	\$ 31,296	\$ 523,552	\$ 151,401	\$ 149,126	\$ 391,824	\$ 454,809	\$ 467,240	\$ 1,472,739	\$ 120,086	\$ 668,041	\$ 436,251	\$ 83,629	\$ 22,924	\$ 2,007,351	\$ 6,980,269

UTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS												PERMANENT FUND		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HISTORIC PRESERVA- TION	FLOOD CONTROL	COUNCIL ON AGING	DRUG COURT	TRANSIENT ROOM TAX	FOOD SERVICE TAX	TORT LIABILITY	LIBRARY FUNDS	REGIONAL HISTORY CENTER	911 EMERGENCY SERVICE	CEMETERIES	CHILDREN'S FUND	GRT PUBLIC EDUC.	TAX STABILITY	
REVENUES:															
Taxes		\$ 71,891	\$ 374,170		\$ 242,048	\$ 239,397	\$ 239,442	\$ 1,095,854		\$ 155,354	\$ 193,446				\$ 1,888,632
Intergovernmental revenues		158,301						8,086							889,357
Charges for Services			71,737					38,801	\$ 26,153	283,192	85,100				504,983
Interest income	\$ 964	16,493	6,713		9,289	11,413	7,985	28,174	4,347	16,863	12,425	\$ 5,153	\$ 706	\$ 67,229	187,754
Miscellaneous							3,290	1,520	12,095		900	2,472			20,277
Total revenues	\$ 964	\$ 246,685	\$ 452,620	\$	\$ 251,337	\$ 250,810	\$ 250,717	\$ 1,172,435	\$ 42,595	\$ 455,409	\$ 291,871	\$ 7,625	\$ 706	\$ 67,229	\$ 3,491,003
EXPENDITURES:															
General government							\$ 193,638			\$ 227,806		\$ 1,227			\$ 193,638
Public safety						\$ 27,500									229,033
Public health			\$ 770,977												798,477
Parks, recreation and public property								\$ 1,009,941	\$ 12,564		\$ 385,572				1,860,461
Conservation and economic development	\$ 452,384				\$ 120,000										120,000
Principal retirement											50,000				50,000
Total expenditures	\$	\$ 452,384	\$ 770,977	\$	\$ 120,000	\$ 27,500	\$ 193,638	\$ 1,009,941	\$ 12,564	\$ 227,806	\$ 435,572	\$ 1,227	\$	\$	\$ 3,251,609
Excess of revenues over (under) expenditures	\$ 964	\$ (205,699)	\$ (318,357)	\$	\$ 131,337	\$ 223,310	\$ 57,079	\$ 162,494	\$ 30,031	\$ 227,603	\$ (143,701)	\$ 6,398	\$ 706	\$ 67,229	\$ 239,394
Other financing sources (uses):															
Transfers in			\$ 352,050	\$ 149,126				\$ 31,716	\$ (31,716)		\$ 182,000			\$	\$ 714,892
Transfers out						\$ (125,968)								\$ (63,881)	\$ (221,565)
Total other financing sources (uses)	\$	\$	\$ 352,050	\$ 149,126	\$	\$ (125,968)	\$	\$ 31,716	\$ (31,716)	\$	\$ 182,000	\$	\$	\$ (63,881)	\$ 493,327
Excess of revenues and other sources over (under) expenditures and other uses	\$ 964	\$ (205,699)	\$ 33,693	\$ 149,126	\$ 131,337	\$ 97,342	\$ 57,079	\$ 194,210	\$ (1,685)	\$ 227,603	\$ 34,299	\$ 6,398	\$ 706	\$ 3,348	\$ 732,721
Fund Balances - Beginning of year	30,332	726,858	56,749		260,487	352,987	402,722	1,145,969	121,708	433,792	380,747	77,231	22,218	2,004,003	6,015,783
Fund Balances - End of year	\$ 31,296	\$ 521,159	\$ 90,442	\$ 149,126	\$ 391,824	\$ 450,309	\$ 459,801	\$ 1,340,179	\$ 120,023	\$ 661,395	\$ 419,046	\$ 83,629	\$ 22,924	\$ 2,007,351	\$ 6,748,504

UTAH COUNTY
 COMBINING STATEMENT OF NET ASSETS -
 NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2005

	NON-MAJOR BTA'S - ENTERPRISE FUNDS		
	LANDFILL	TELE- COMMUNICATIONS	TOTAL NONMAJOR BTA'S
<u>ASSETS</u>			
Current assets:			
Cash	\$ 275		\$ 275
Investments	1,132,339	\$ 156,536	1,288,875
Receivables - net			
Miscellaneous	2,575	10,600	13,175
Tax receivable	18		18
Restricted investments	67,887		67,887
Total current assets	\$ 1,203,094	\$ 167,136	\$ 1,370,230
Noncurrent assets:			
Land	\$ 51,300		\$ 51,300
Buildings	9,713		9,713
Improvements other than buildings	54,136		54,136
Furniture, fixtures and equipment	942,822	\$ 229,794	1,172,616
Less: Accumulated depreciation	(838,445)	(180,322)	(1,018,767)
Total noncurrent assets, net	\$ 219,526	\$ 49,472	\$ 268,998
Total assets	\$ 1,422,620	\$ 216,608	\$ 1,639,228
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 23,670	\$ 10,005	\$ 33,675
Warrants payable	875	762	1,637
Accrued wages and benefits	36,384	4,083	40,467
Total current liabilities	\$ 60,929	\$ 14,850	\$ 75,779
Total noncurrent liabilities	\$...	\$...	\$...
Total liabilities	\$ 60,929	\$ 14,850	\$ 75,779
Net Assets:			
Invested in capital assets, net of related debt	\$ 219,526	\$ 49,472	\$ 268,998
Restricted	67,887		67,887
Unrestricted	1,074,278	152,286	1,226,564
Total net assets	\$ 1,361,691	\$ 201,758	\$ 1,563,449

UINTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS -
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	NON-MAJOR BTA'S - ENTERPRISE FUNDS		
	LANDFILL	TELE- COMMUNICATIONS	TOTAL NON-MAJOR BTA'S
Operating revenues:			
Charges for sales and services	\$ 580,405	\$ 124,022	\$ 704,427
Total operating revenues	\$ 580,405	\$ 124,022	\$ 704,427
Operating expenses:			
Employee salaries and benefits	\$ 307,362	\$ 42,421	\$ 349,783
Office supplies	1,176	167	1,343
Other supplies and services		12,726	12,726
Contractual services	25,516		25,516
Utilities	4,347		4,347
Fuel and oil	35,182		35,182
Repairs and maintenance	32,094	18,614	50,708
Depreciation	29,399	4,011	33,410
Travel	349		349
Telephone	1,784	52,281	54,065
Total operating expenses	\$ 437,209	\$ 130,220	\$ 567,429
OPERATING INCOME (LOSS)	\$ 143,196	\$ (6,198)	\$ 136,998
Nonoperating revenues (expenses):			
Taxes	\$ 150		\$ 150
Interest revenue	34,471	\$ 5,152	39,623
Total nonoperating revenues (expenses)	\$ 34,621	\$ 5,152	\$ 39,773
Income (loss) before capital contributions	\$ 177,817	\$ (1,046)	\$ 176,771
Total capital contributions	\$...	\$...	\$...
Change in net assets	\$ 177,817	\$ (1,046)	\$ 176,771
Total net assets - beginning of year	1,183,874	202,804	1,386,678
Total net assets - end of year	\$ 1,361,691	\$ 201,758	\$ 1,563,449

UINTAH COUNTY
COMBINING BALANCE SHEET - CEMETERIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	MAESER CEMETERY	ROCKPOINT CEMETERY	JENSEN CEMETERY	LEOTA CEMETERY	HAYDEN CEMETERY	LAPPOINT CEMETERY	DRYFORK CEMETERY	AVALON CEMETERY	GUSHER CEMETERY	TRIDELL CEMETERY	CEMETERY ASSOCIATION	TOTAL CEMETERIES
Investments	\$ 220,801		\$ 96,264	\$ 2,581	\$ 1,642	\$ 6,863	\$ 32,129	\$ 107	\$ 3,527	\$ 10,084	\$	\$ 373,998
Accounts receivable		\$ 125,250									\$ 17,838	\$ 143,088
Total assets	\$ 220,801	\$ 125,250	\$ 96,264	\$ 2,581	\$ 1,642	\$ 6,863	\$ 32,129	\$ 107	\$ 3,527	\$ 10,084	\$ 17,838	\$ 517,086

ASSETS**LIABILITIES AND FUND BALANCES**

Liabilities:												
Cash deficit		\$ 59,209									\$ 21,626	\$ 80,835
Accounts payable											5,866	5,866
Warrants payable											4,008	4,008
Accrued liabilities											7,331	7,331
Total liabilities		\$ 59,209									\$ 38,831	\$ 98,040
Fund balances:												
Reserved:												
Cemeteries	\$ 220,801	\$ 66,041	\$ 96,264	\$ 2,581	\$ 1,642	\$ 6,863	\$ 32,129	\$ 107	\$ 3,527	\$ 10,084	\$ (20,993)	\$ 419,046
Total fund balances	\$ 220,801	\$ 66,041	\$ 96,264	\$ 2,581	\$ 1,642	\$ 6,863	\$ 32,129	\$ 107	\$ 3,527	\$ 10,084	\$ (20,993)	\$ 419,046
Total liabilities and fund balances	\$ 220,801	\$ 125,250	\$ 96,264	\$ 2,581	\$ 1,642	\$ 6,863	\$ 32,129	\$ 107	\$ 3,527	\$ 10,084	\$ 17,838	\$ 517,086

UTAH COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - CEMETERIES
 FOR THE YEAR ENDED DECEMBER 31, 2005

	MAESER CEMETERY	ROCKPOINT CEMETERY	JENSEN CEMETERY	LEOTA CEMETERY	HAYDEN CEMETERY	LAPOINT CEMETERY	DRYFORK CEMETERY	AVALON CEMETERY	GUSHER CEMETERY	TRIDELL CEMETERY	CEMETERY ASSOCIATION	TOTAL CEMETERIES
REVENUES:												
Intergovernmental revenues	\$ 125,250										\$ 68,196	\$ 193,446
Charges for services	\$ 12,000	\$ 10,050	\$ 1,200			\$ 600	\$ 2,200		\$ 300	\$ 1,200	\$ 57,550	\$ 85,100
Interest income	6,645	900	2,960	\$ 79	\$ 51	194	966	\$ 3	105	284	1,138	12,425
Miscellaneous												900
Total revenues	\$ 18,645	\$ 136,200	\$ 4,160	\$ 79	\$ 51	\$ 794	\$ 3,166	\$ 3	\$ 405	\$ 1,484	\$ 126,884	\$ 291,871
EXPENDITURES:												
Current:												
Parks, recreation, and public property	\$ 26,551										\$ 359,021	\$ 385,572
Principal retirement	50,000											50,000
Total expenditures	\$ 76,551										\$ 359,021	\$ 435,572
Excess revenues over (under) expenditures	\$ 18,645	\$ 59,649	\$ 4,160	\$ 79	\$ 51	\$ 794	\$ 3,166	\$ 3	\$ 405	\$ 1,484	\$ (232,137)	\$ (143,701)
OTHER FINANCING SOURCES (USES):												
Transfers in												
Total other financing sources (uses)											\$ 182,000	\$ 182,000
Excess of revenues and other sources over (under) expenditures and other uses	\$ 18,645	\$ 59,649	\$ 4,160	\$ 79	\$ 51	\$ 794	\$ 3,166	\$ 3	\$ 405	\$ 1,484	\$ (50,137)	\$ 38,299
FUND BALANCES - beginning of year	202,156	6,392	92,104	2,502	1,591	6,069	28,963	104	3,122	8,600	29,144	380,747
FUND BALANCES - end of year	\$ 220,801	\$ 66,041	\$ 96,264	\$ 2,581	\$ 1,642	\$ 6,863	\$ 32,129	\$ 107	\$ 3,527	\$ 10,084	\$ (20,993)	\$ 419,046

UNITAH COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
FOR THE 2005 PROPERTY TAX YEAR

TAX UNITS	TREASURER'S RELIEF										OTHER COLLECTIONS		DELINQUENCIES	
	TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL	NET TAXES COLLECTED	PERCENT	FEES IN LIEU	MISC. COLLECTED	TAX	INTEREST/PENALTY	
COUNTY FUNDS:														
Care Center	\$ 2,161,876,117	0.000000									\$ (1,334)	\$ 1,627	\$ 300	
Debt Service	2,161,876,117	0.000000								\$ 5,926	396	2,253	124	
Flood control	2,161,876,117	0.000030	\$ 64,856	\$ (1,451)	\$ (216)	\$ 482	\$ (1,185)	\$ 63,671	0.982					
General	2,161,876,117	0.001904	4,116,212	(92,077)	(13,725)	30,384	(75,218)	4,040,994	0.982	376,084	28,155	134,506	65,928	
Landfill	2,161,876,117	0.000000											34	
Library	2,161,876,117	0.000455	983,654	(22,004)	(3,280)	7,309	(17,975)	965,679	0.982	89,873	6,411	32,521	1,659	
Tort liability	2,161,876,117	0.000100	216,188	(4,836)	(721)	1,606	(3,951)	212,237	0.982	19,752	1,429	7,067	355	
Judgment levy	2,161,876,117	0.000000											26	
Local assessing and collecting	2,161,876,117	0.000295	637,270	(14,508)	(2,162)	16,109	(561)	636,709	0.999	59,257	3,562	15,678	837	
State assessing and collecting	2,161,876,117	0.000173	374,956	(8,366)	(1,247)	1,822	(7,791)	367,165	0.979	34,171	2,516	12,790	651	
Total County Funds			\$ 6,393,136	\$ (143,242)	\$ (21,351)	\$ 57,912	\$ (106,681)	\$ 6,286,455		\$ 585,063	\$ 41,135	\$ 206,590	\$ 69,914	
SCHOOL DISTRICTS:														
Utah School District	\$ 4,323,752,234	0.003002	\$ 12,981,446	\$ (290,205)	\$ (43,257)	\$ 88,354	\$ (245,108)	\$ 12,736,338	0.981	\$ 1,185,335	\$ 89,545	\$ 426,977	\$ 20,862	
Total School Districts			\$ 12,981,446	\$ (290,205)	\$ (43,257)	\$ 88,354	\$ (245,108)	\$ 12,736,338		\$ 1,185,335	\$ 89,545	\$ 426,977	\$ 20,862	
CITIES AND TOWNS:														
Vernal City	\$ 307,905,888	0.001076	\$ 331,317	\$ (19,971)	\$ (2,447)	\$ 8,537	\$ (13,881)	\$ 317,436	0.958	\$ 60,465	\$ 1,627	\$ 16,480	\$ 777	
Ballard City	28,030,088	0.000975	27,335	(1,381)	(5)	(318)	(1,704)	25,631	0.938	2,483	139	6,177	339	
Naples City	84,404,965	0.000527	44,478	(1,774)	(217)	(673)	(2,664)	41,814	0.940	8,211	275	5,103	162	
Total Cities and Towns			\$ 403,130	\$ (23,126)	\$ (2,669)	\$ 7,546	\$ (18,249)	\$ 384,881		\$ 71,159	\$ 2,041	\$ 27,760	\$ 1,278	
OTHER DISTRICTS:														
Mosquito Abatement	\$ 2,161,876,117	0.000280	\$ 605,189	\$ (13,541)	\$ (2,018)	\$ 4,638	\$ (10,921)	\$ 594,268	0.982	\$ 55,307	\$ 3,684	\$ 20,242	\$ 1,073	
Central Utah Water	2,161,876,117	0.000397	858,355	(19,344)	(2,883)	12,817	(9,410)	848,945	0.989	79,009	5,322	25,173	1,294	
Utah Water Conservancy	2,086,862,234	0.000380	792,741	(17,249)	(2,606)	6,359	(13,496)	779,245	0.983	73,101	5,377	23,440	1,152	
Ashtley Water	345,266,566	0.001631	563,241	(33,439)	(5,195)	1,815	(36,819)	526,422	0.935	137,038	7,535	56,825	2,021	
Ashtley Valley North	1,789,813	0.000777	1,391	(57)		1	(56)	1,335	0.960	275	8	318	21	
Showerer-Mecham	431,102	0.000777	335		(19)	(5)	(24)	311	0.928	46	2			
Pleasant Glen	10,128,150	0.000355	3,597	(124)	(54)	(2)	(180)	3,417	0.950	576	70	84	5	
Honey Withdraw	4,780,505	0.001103	5,242	(67)		(701)	(768)	4,474	0.853	113	28	181	9	
Rainwater Withdraw	425,999	0.002160	920		(7)	(7)	(7)	913	0.992	161	7	1		
Chivers Withdraw	2,378,386	0.001222	2,906	(4,219)		4,150	(69)	2,837	0.976	467	21	60	3	
Westside Withdraw	8,933,191	0.002338	20,885		(86)	(14)	(100)	20,785	0.995	3,048	(160)	80	2	
Mosier Water	74,388,890	0.000668	49,634	(2,364)	(535)	(123)	(2,922)	46,712	0.941	14,381	797	2,648	124	
Jensen Water	39,950,453	0.000866	34,615	(1,035)	(86)	201	(920)	33,695	0.973	8,294	(863)	2,020	457	
Ballard Water	29,793,388	0.000471	(816)	(140)	(20)	(140)	(976)	13,054	0.930	1,276	56	3,523	193	
Curry Park Water	13,156,391	0.000815	10,720	(462)		144	(318)	10,402	0.970	656	(147)	996	60	
Tridell Lapoint Water	26,093,906	0.000801	20,899	(1,174)	(133)	17	(1,310)	19,589	0.937	6,142	142	2,556	180	
Johnson Water	2,651,849	0.000000											24	
Naples redevelopment	4,409,454	0.012134	53,504					53,504	1.000					
Total Other Districts			\$ 3,038,204	\$ (93,791)	\$ (13,655)	\$ 29,150	\$ (78,296)	\$ 2,959,908		\$ 379,890	\$ 21,887	\$ 138,394	\$ 6,618	
GRAND TOTAL			\$ 22,815,916	\$ (550,364)	\$ (80,932)	\$ 182,962	\$ (448,334)	\$ 22,367,582		\$ 2,221,447	\$ 154,608	\$ 799,721	\$ 98,672	

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R. KIRT RICH, C.P.A.
GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Uintah County
Vernal, Utah 84078

Re: Report on Legal Compliance with
Applicable Utah State Laws and
Regulations

Ladies/Gentlemen:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County, for the year ended December 31, 2005, and have issued our report thereon dated June 9, 2006. As part of our audit, we have audited Uintah County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005.

The County received the following major State assistance programs from the State of Utah:

- B Road Funds (Department of Transportation)
- Liquor Law Enforcement (State Tax Commission)
- Drug Court (Department of Human Services)
- Minimum Performance (Department of Health and Human Services)
- CIB Grant (Department of Community & Economic Developments)
- CIB Loan (Department of Community & Economic Developments)
- Alternative Program (Department of Human Services)
- Cemetery Land – Revitalization Funds (Department of Community & Economic Developments)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Uintah County's financial statements.)

- Healthy Utah (Department of Health and Human Services)
- FACT/CHILD (Department of Health and Human Services)
- Tobacco Prevention and Compliance (Department of Health and Human Services)
- Revitalization Grant (Department of Community & Economic Development)
- Library Development (Department of Community and Economic Development)
- LHD Environmental Services (Department of Health and Human Services)
- Predator Control (Department of Natural Resources)
- Children Justice Grant (Department of Justice)
- Indoor Clean Air (Department of Health and Human Services)

Wildland Fire (Department of Natural Resources Division of Forestry,
 Fire and State Lands)
 GIS Cadastral Mapping (Department of Technology Services)
 Community Impact Board Grant (Department of Community and Economic Development)
 Medicaid Waiver (Department of Human Services)
 Utah Cancer Control (Department of Health and Human Services)
 State General Funds (Department of Health and Human Services)
 Chec (Department of Health and Human Services)
 Consumer Education & Assistance (Department of Health and Human Services)
 LMI Housing – Revitalization Projects (Department of Community and Economic Development)
 State Court Security (Department of Community and Economic Development)
 T/B Medication (Department of Health and Human Services)
 Diabetes (Department of Health and Human Services)
 Oral Health (Department of Health and Human Services)
 Heritage Museum – Revitalization Funds (Department of Community & Economic Developments)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

Public Debt	Statement of Taxes Charged,
Cash Management	Collected and Disbursed
Purchasing Requirements	Justice Courts
Budgetary Compliance	B & C Road Funds
Truth in Taxation &	Uniform Building Code
Property Tax Limitations	Other Compliance Requirements
Assessing & Collecting of Property Tax	Transient Room Tax
Liquor Law Enforcement	

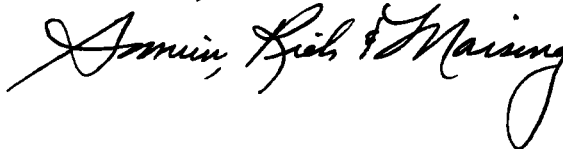
The management of Uintah County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Uintah County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2005.

SMUIN, RICH & MARSING

A handwritten signature in cursive script, reading "Smuin, Rich & Marsing". The signature is written in dark ink and is positioned below the printed name.

Price, Utah

June 9, 2006

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

CRAIG G. SMUIN, C.P.A.
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MEMBERS
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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Uintah County
Vernal, Utah 84078

RE: Report on Compliance and on Internal
Control Over Financial Reporting Based
on an Audit of Financial Statements
Performed in Accordance With Govern-
ment Auditing Standards

We have audited the financial statements of Uintah County as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

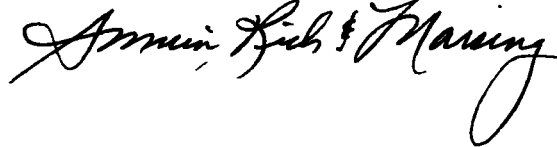
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING

A handwritten signature in cursive script, reading "Armin Rich & Marsing". The signature is written in dark ink and is positioned below the firm's name.

Price, Utah

June 9, 2006

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Board of County Commissioners
Uintah County
Vernal, Utah 84078

RE: Report on Compliance With Requirements
Applicable to Each Major Program and Internal
Control Over Compliance in Accordance With
OMB Circular A-133

Compliance

We have audited the compliance of Uintah County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

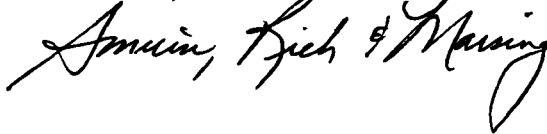
Internal Control Over Compliance

The management of Uintah County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Smuin, Rich & Marsing". The signature is written in dark ink and is positioned below the printed name of the firm.

Price, Utah

June 9, 2006

UINTAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Uintah County.
2. There were no reportable conditions and no material weaknesses disclosed in internal control by the audit over the financial statements.
3. No instances of noncompliance material to the financial statements of Uintah County were disclosed by the audit.
4. There was no reportable condition and no material weaknesses in internal control over major programs disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs for Uintah County expresses an unqualified opinion.
6. The audit of Uintah County's major programs disclosed no audit findings relating to major programs that the auditor is required to report.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA#</u>
Women, Infant & Children	10.557

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Uintah County was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

UINTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTORS NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2005	RECEIPTS OR REVENUE RECOGNIZED	DISBURSE- MENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2005
		\$ 10,000		\$ 10,000	\$ 10,000	
93 556		\$ 10,000	...	\$ 10,000	\$ 10,000	\$...
Total direct programs						
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Direct Program:						
Children's Alliance Fund						
Passed Through Utah Department of						
Community and Economic Development:						
93 044	04-2248	\$ 35,170		\$ 15,499	\$ 15,499	
93 045	04-2248	56,948		6,502	6,502	
93 043	04-2248	2,189		1,455	1,455	
93 052	04-2248	14,429		4,805	4,805	
93 044	05-2414	34,499		36,211	36,211	
93 045	05-2414	57,073		84,655	84,655	
93 043	05-2414	2,294		8,950	8,950	
93 052	05-2414	14,893		6,025	6,025	
93 042	04-2248	3,280		7,150	7,150	
93 042	05-2414	4,734		3,877	3,877	
93 779	04-2248	6,000		3,946	3,946	
93 779	05-2414	6,000		4,696	4,696	
93 778	05-0259	16,940		5,723	5,723	
93 778	06-0318	15,754		3,986	3,986	
Total passed through DCED						
		\$ 270,203	\$...	\$ 193,481	\$ 193,481	\$...

UNITAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2005	RECEIPTS OR REVENUE RECOGNIZED	DISBURSE- MENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2005
93.991	Passed Through Utah Department of Health:	05-2472	\$ 4,987	\$	743	743	
93.940	Basic Injury Block	05-2375	1,000		727	727	
93.268	Bureau of HIV/AIDS	04-2256	45,348		44,474	44,474	
93.268	Immunization - Basic IAP	04-2256	87,656		87,656	87,656	
93.116	Immunization Vaccine	05-2375	1,395		268	268	
93.778	TB Elimination	06-0142/05-0054	16,701		6,248	6,248	
93.778	CHEC	06-0142/05-0054	13,524		10,536	10,536	
93.283	Consumer Education & Assistance	05-2472	12,850		9,972	9,972	
93.283	Cancer Control	05-2472	8,850		7,788	7,788	
93.977	CDC Cancer Screening	05-2375	400		241	241	
93.283	Sexually Transmitted Diseases - Test	05-1288	244,629		174,655	174,655	
93.283	Bioterrorism	06-0954	244,629		68,253	68,253	
93.994	Bioterrorism	05-2317	48,173		48,173	48,173	
93.994	MCH Block	05-2472	25,487		6,039	6,039	
93.994	Basic Injury Prevention	05-2317	55,000		53,987	53,987	
93.994	Community Based Services	05-2472	39,871		29,759	29,759	
93.283	Comprehensive Tobacco	03-1871	28,145		21,109	21,109	
93.558	Out of Wedlock Pregnancy Prevention	05-2472	50,000		38,881	38,881	
93.945	Heart Disease and Stroke	05-2472	24,697		10,206	10,206	
93.991	Heart Disease and Stroke	04-2001	13,500		5,026	5,026	
93.991	HDSP - Infrastructure	05-2384	8,500		10,890	10,890	
93.944	P-5 Home Visitation						
	Total passed through Utah Department of Health		\$ 975,342	\$	\$ 635,630	\$ 635,630	\$
	Total U.S. Department of Health and Human Services		\$ 1,255,545	\$	\$ 839,111	\$ 839,111	\$

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UNTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTORS NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2005	RECEIPTS OR REVENUE RECOGNIZED	DISBURSE- MENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2005
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Passed Through Utah Department of Community and Economic Development:						
14.228	04-2085	\$ 60,000		\$ 39,905	\$ 39,905	
14.228	04-0400	65,000		38,934	38,934	
14.228	06-0048	65,000		20,099	20,099	
		\$ 190,000	\$...	\$ 98,938	\$ 98,938	\$...
Total Department of Housing and Urban Development						
U.S. DEPARTMENT OF JUSTICE						
Passed Through Utah Department of Commission on Criminal and Juvenile Justice:						
16.579		\$ 20,000		\$ 6,921	\$ 6,921	
16.575		36,691		24,916	24,916	
16.575		37,792		10,984	10,984	
		\$ 94,483	\$...	\$ 42,821	\$ 42,821	\$...
Total passed through Utah Department of Commission on Criminal and Juvenile Justice						
Passed Through Utah Department of Public Safety:						
97.004		\$ 748,492		\$ 218,458	\$ 218,458	
		\$ 842,975	\$...	\$ 261,279	\$ 261,279	\$...
Total U.S. Department of Justice						
U.S. DEPARTMENT OF TRANSPORTATION						
Pass through State Department of Transportation:						
20.106	AIP3-49-0037-19	\$ 150,000		\$ 111,334	\$ 111,334	
20.106	AIP3-49-0037-17	153,380		3,380	3,380	
20.106	AIP3-49-0037-18	375,808		11,284	11,284	
20.600	CP04-05-09	8,000		8,000	8,000	
		\$ 687,188	\$...	\$ 133,998	\$ 133,998	\$...
Total U.S. Department of Transportation						

UNITAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTORS NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2005	RECEIPTS OR REVENUE RECOGNIZED	DISBURSE- MENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2005
ENVIRONMENTAL PROTECTION AGENCY						
Pass through Utah Department of Health:						
66 605	05-0568	\$ 2,300	\$ 1,150	\$ 1,150	\$ 1,150	
66 605	05-0568	2,300	1,150	1,150	1,150	
66 468	05-0568	4,570	2,285	2,285	2,285	
66 468	05-0568	4,570	2,285	2,285	2,285	
Total Environmental Protection Agency						
		\$ 13,740	\$...	\$ 6,870	\$ 6,870	\$...
FEDERAL EMERGENCY MANAGEMENT AGENCY:						
Pass through State of Utah:						
97 042		\$ 4,250	\$ 2,000	\$ 2,000	\$ 2,000	
83 552		8,832	4,500	4,500	4,500	
Total Federal Emergency Management Agency						
		\$ 13,082	\$...	\$ 6,500	\$ 6,500	\$...
U. S. TREASURY						
Direct Program:						
45 301		\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	
Total U.S. Treasury						
		\$ 90,000	\$...	\$ 90,000	\$ 90,000	\$...
U. S. DEPARTMENT OF THE INTERIOR						
Direct Program:						
10 000		\$ 24,900	\$ 24,900	\$ 24,900	\$ 24,900	
Total U.S. Department of Interior						
		\$ 24,900	\$...	\$ 24,900	\$ 24,900	\$...
TOTAL FEDERAL ASSISTANCE						
		\$ 4,791,591	\$...	\$ 2,298,780	\$ 2,298,780	\$...

* Tested as Major Federal Financial Assistance Programs

UINTAH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2005

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of program activity of the County's federal award programs and does not necessarily present transactions that would be included in financial statements of the County presented on the modified accrual basis of accounting, as contemplated by generally accepted accounting principles.

2. FOOD INSTRUMENTS

Amounts shown on the schedule of expenditures of federal awards as WIC food vouchers are not direct cash expenditures of Uintah County. The Tri County Health District operates the Women, Infant and Children program. As part of this program, the health district distributes food instruments provided by the State of Utah that can be redeemed at local stores for food items.

The dollar amounts reported on the schedule of expenditures of federal awards are the fair market value that food instruments can be redeemed for.

3. VACCINES

As part of the immunization program of the Tri County Health District, vaccines were provided by federal agencies. The fair market value of these vaccines has been reported on the schedule of expenditures of federal awards as immunization.

UINTAH COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

Uintah County has no prior audit findings that were required to be reported in the current audited financial statements. Any prior audit findings have been corrected.

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Uintah County
Vernal, Utah 84078

Ladies and Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Uintah County for the year ended December 31, 2005.

Since our review was made primarily to determine the scope of our auditing procedures and was not intended as a comprehensive study or evaluating of the systems and procedures, this memorandum should not be considered all-inclusive.

We welcome the opportunity to discuss any items mentioned in this memorandum or any other accounting or procedural questions.

BUDGET COMPLIANCE

Utah law prohibits officers and employees of Counties to incur expenditures or encumbrances in excess of total appropriations for any department in the General Fund or any fund for special district's. The County has overspent the following department in the General fund in the current fiscal year:

General Fund	
Grants department	\$115,452

We recommend the County periodically review the expenditures and encumbrances with the adopted budget to make sure expenditures do not exceed approved spending limits.

DEFICIT FUND BALANCES

According to State of Utah law, County's are not allowed to spend more funds than what they receive. By so doing, they create a deficit fund balance. The State Auditor has taken the position that a deficit, created by expenditures being made in excess of available funds, is illegally created debt in violation of the Utah Constitution. During the audit, we found that the County/City Cemetery Association Fund had a deficit fund balance for the year ending December 31, 2005.

We recommend that adequate revenues be allocated to the County/City Cemetery Association Fund to eliminate the current deficit.

RECEIPTING PROCEDURES

As result of our audit planning and risk assessment of the internal controls of the County, we selected cash receipting procedures of drug court and non-drug court funds at the County Jail facility. From tests performed, we found funds received for these two programs are collected and receipted at the main entrance to the jail. A receipt is issued when funds are received. The receipt and funds collected are put into a locked box and only the officer responsible for these funds has access. Periodically the officer in charge of these funds retrieves the locked box, counts the money and matches individual funds to individual receipts. The money is then given to another officer who receipts the funds with the Clerk/Auditor and takes the money to the County Treasurer. As we reviewed these procedures and performed tests of them, we became aware of several areas of concern. One area is that most of the drug and non-drug court funds received are cash which always increases the risk of loss and generally requires stringent internal controls. Another area is that only one officer counts the money and receipts before delivering the money to a second officer who takes these funds to the County Treasurer. These funds which are all cash are handled by three different officers without any independent reconciliation of these funds. Also, these funds are only taken to the County Treasurer a couple times a month. In at least one case some money was receipted at the jail and was not received by the County Treasurer until 49 days later.

Initially when the Jail receives money a receipt is issued for these funds. But, the officers issuing these receipts do not use receipt books in numerical order which override internal controls and makes it almost impossible to reconcile receipt books to actual money collected.

We recommend the County adopt and implement internal controls that require officers to issue receipts for all funds collected and to use receipts in numerical order. We also recommend funds collected for drug and non-drug court services be reconciled to receipts and delivered to the County Treasurer daily if practical but at least within the three day requirement.

GRANT MANAGEMENT

We reported last year that the County has designated an employee of the County as a Grant Manager, who has the responsibility of maintaining and monitoring files on all grants and reimbursement requests associated with these grants. While performing single audit procedures on federal grants, we again found that, in some cases, other governmental agencies and employees of the County were not following internal control procedures and providing the Grant Manager with a copy of all grant nor were they getting approval for reimbursement requests or funneling these requests through the County's Grant Manager.

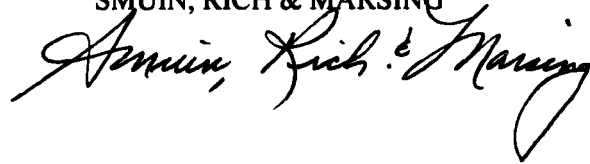
We recommend the County make notification to all employees and other governmental agencies sharing in grant funds, that a copy of all grant agreements and reimbursements requests are required to be filed with the County Grant Manager.

SUMMARY

We feel the accounting procedures and internal control items mentioned above are some areas where the County can make changes to improve its internal control structure in order to safeguard the assets, check the accuracy and reliability of accounting data and promote operating efficiency.

Sincerely,

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Armin, Rich & Marsing". The signature is written in dark ink and is positioned below the printed name.

Price, Utah

July 29, 2006

UINTAH COUNTY CLERK-AUDITOR

*147 East Main
Vernal, Utah 84078
Phone: (435) 781-5362
Fax: (435) 781-6701*

*Michael W. Wilkins
Clerk-Auditor*

September 13, 2006

Smuin, Rich & Marsing
Certified Public Accountants
PO Box 820
Price, Utah 84501

Dear Gentlemen;

In response to the management letter we received, the following practices have or will be implemented as soon as possible:

BUDGET COMPLIANCE:

The Grants department in the General Fund was overspent at the end of the fiscal year 2005. The only funds spent out of this department are those received from grants and are passed through to other entities. The County only disburses those funds received. Therefore, the County would never spend more money than what had been received. Unfortunately, an over sight resulted and we failed to increase our budget sufficiently to account for the actual expenditures of the County in this department. The County will more closely monitor it's expenditures as compared to adopted budgets.

DEFICIT FUND BALANCES:

The County/City Cemetery Association ended the year with a deficit fund balance. This is a joint venture with Vernal City and in reviewing this fund before year end the County felt that after billing for reimbursement form Vernal City, that the receivable from Vernal City would bring the fund back into a positive fund balance. After final review a deficit fund balance has happened and the County will take care of the deficit fund balance.

RECEIPTING PROCEDURES:

The County has implemented new software at the Jail that will require all funds to be receipted thru and deposited on a daily basis with the county Treasurer. I have reviewed the internal controls with the Jail Commander, and the Jail Commander reviewed internal controls with the employees at the Jail.

GRANT MANAGEMENT

The County has notified all departments that all grants are to be administered by the County Grant Manager. The County will re-emphasize to all departments that all grants must go thru the County Grant Manager.

We appreciate your recommendations. And any other ideas to assist us in operating Uintah County in a more efficient matter.

Sincerely,

Michael W. Wilkins
Uintah County Clerk-Auditor

cc: Utah State Auditor